

**IN THE UNITED STATES OF AMERICA**  
**FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	:	<b>CRIMINAL NO. _____</b>
	:	
<b>v.</b>	:	<b>DATE FILED: SEPTEMBER 29, 2004</b>
	:	
<b>SHAMSUD-DIN ALI</b>	:	<b>VIOLATIONS:</b>
a/k/a "Shamps,"	:	<b>18 U.S.C. §§ 1962(c) &amp; 1962(d) (RICO &amp;</b>
a/k/a "the Imam,"	:	<b>RICO conspiracy - 2 counts);</b>
<b>FARIDAH ALI</b>	:	<b>18 U.S.C. § 1341 (mail fraud - 7 counts);</b>
a/k/a "Rita Spicer,"	:	<b>18 U.S.C. § 1343 (wire fraud - 7 counts);</b>
a/k/a "Rita Ali,"	:	<b>18 U.S.C. § 1344 (bank fraud - 1 count);</b>
<b>JOHN CHRISTMAS</b>	:	<b>18 U.S.C. § 1951 (extortion, conspiracy &amp;</b>
<b>STEVEN VAUGHN</b>	:	<b>attempt to commit extortion - 3 counts);</b>
a/k/a "Wassi"	:	<b>18 U.S.C. § 1952 (ITAR - 11 counts);</b>
<b>RICHARD MEEHAN</b>	:	<b>18 U.S.C. § 371 (conspiracy - 3 counts);</b>
<b>JOHN JOHNSON</b>	:	<b>18 U.S.C. § 1623 (perjury - 2 counts);</b>
<b>JOHN SALTER</b>	:	<b>18 U.S.C. § 1001 (false statements to the</b>
	:	<b>FBI - 1 count)</b>
	:	<b>18 U.S.C. § 2 (aiding &amp; abetting);</b>
	:	<b>26 U.S.C. § 7201 (tax evasion - 8 counts);</b>
	:	<b>26 U.S.C. § 7206(1) (filing false tax</b>
	:	<b>returns - 3 counts);</b>
	:	<b>Notice of Additional Factors;</b>
	:	<b>Notice of Forfeiture</b>

**INDICTMENT**

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**COUNT ONE**

**(Racketeering - 18 U.S.C. § 1962(c))**

**THE GRAND JURY CHARGES THAT:**

**INTRODUCTION**

At all time material to this indictment:

**SHAMSUD-DIN ALI and FARIDAH ALI**

1. Defendants SHAMSUD-DIN ALI, a/k/a “Shamps,” a/k/a “the Imam,” and FARIDAH ALI, a/k/a “Rita Spicer,” a/k/a “Rita Ali,” resided at 36 Latham Parkway, Elkins Park, Pennsylvania.

**THE SISTER CLARA MUHAMMAD SCHOOL**

2. The Sister Clara Muhammad School (“SCMS”) was an educational institution located at 4700 Wyalusing Avenue, Philadelphia, Pennsylvania, registered as a private school in the Commonwealth of Pennsylvania. SCMS offered courses to students from grade kindergarten through the 12<sup>th</sup> grade. SCMS staff was composed of a principal, instructors, assistants, support staff, and volunteers.

3. Defendant SHAMSUD-DIN ALI was the Director of Education of SCMS.

4. Defendant FARIDAH ALI was the Assistant Director of Education of SCMS. FARIDAH ALI supervised the SCMS staff and controlled the administration and operation of SCMS.

**KEYSTONE INFORMATION & FINANCIAL SERVICES, INC.**

5. Keystone Information & Financial Services, Inc. (“KIFS”) was a corporation existing under the laws of the Commonwealth of Pennsylvania, with a principal

place of business located at 7108 Germantown Avenue, Philadelphia, Pennsylvania.

6. From in or about January 1998 until in or about May 2001, defendant SHAMSUD-DIN ALI owned 40% of the authorized and issued shares of KIFS stock and defendant FARIDAH ALI owned 10% of the authorized and issued shares of KIFS stock. From in or about May 2001 until in or about October 2003, defendants SHAMSUD-DIN ALI and FARIDAH ALI were co-owners of KIFS.

7. From in or about January 1998 until in or about May 2001, defendant SHAMSUD-DIN ALI was the Vice President of KIFS. From in or about May 2001 until in or about October 2003, defendant SHAMSUD-DIN ALI was the President of KIFS.

HI-TECHNOLOGY RECYCLING WASTE MANAGEMENT, INC.

8. Hi-Technology Recycling Waste Management, Inc. (“Hi-Tech”) was a corporation incorporated under the laws of the Commonwealth of Pennsylvania, with an address of 4518 Old York Road, Philadelphia, Pennsylvania.

9. JOHN JOHNSON was President and Chief Executive Officer of Hi-Tech.

10. Defendant SHAMSUD-DIN ALI and JOHN JOHNSON represented that SHAMSUD-DIN ALI was an employee of Hi-Tech.

11. Defendant SHAMSUD-DIN ALI used the business office of KIFS located at 7108 Germantown Avenue, Philadelphia, Pennsylvania, to conduct business activities on behalf of Hi-Tech.

**THE ENTERPRISE**

12. At all times material to this indictment, defendants SHAMSUD-DIN ALI and FARIDAH ALI, and SCMS, KIFS and Hi-Tech constituted an Enterprise, as that term is

defined in Title 18, United States Code, Section 1961(4), namely, a group of individuals and legal entities associated in fact that engaged in, and the activities of which affected, interstate and foreign commerce.

### **STRUCTURE OF THE ENTERPRISE**

13. The Enterprise constituted an ongoing organization whose members functioned as a continuing unit for the common purpose of achieving the objectives of the Enterprise throughout the period from in and about January 1998 continuously through in or about October 2003.

14. Defendants SHAMSUD-DIN ALI and FARIDAH ALI directed and managed the affairs of the Enterprise through their formal positions with and control over SCMS and KIFS.

15. Defendant SHAMSUD-DIN ALI, with JOHN JOHNSON, directed business activities of Hi-Tech and used the business office and equipment of KIFS to conduct business on behalf of Hi-Tech.

16. SCMS was affiliated with the Philadelphia Masjid, Inc., which operated a mosque at 4700 Wyalusing Avenue, Philadelphia, Pennsylvania. Defendant SHAMSUD-DIN ALI was the imam, or religious leader, of the Philadelphia Masjid. By virtue his position as the imam for the Philadelphia Masjid, as well as his formal position as Director of Education of SCMS, SHAMSUD-DIN ALI was able to control and influence the operation and management of SCMS and its staff.

17. Defendant FARIDAH ALI controlled the day-to-day management and operation of SCMS and directed the activities of its staff.

18. Defendant FARIDAH ALI had exclusive signature authority over SCMS's bank account.

19. Defendant SHAMSUD-DIN ALI controlled the management and operation of KIFS.

20. As of May 2001, defendant SHAMSUD-DIN ALI had exclusive signature authority over KIFS' bank accounts.

21. Defendants SHAMSUD-DIN ALI and FARIDAH ALI directed and controlled numerous co-conspirators, who participated in the affairs of the Enterprise and aided and abetted SHAMSUD-DIN ALI and FARIDAH ALI in conducting the pattern of racketeering described below at paragraphs 26 through 155 by assisting SHAMSUD-DIN ALI and FARIDAH ALI in achieving its unlawful objectives, including JOHN CHRISTMAS, STEVEN VAUGHN, RICHARD MEEHAN, JOHN JOHNSON, and JOHN SALTER, who are not named as defendants in Count One of this indictment but who are named as defendants in other counts, and other persons known to the grand jury.

#### **THE PURPOSES OF THE ENTERPRISE**

22. The Enterprise existed for the purposes of: (a) obtaining money and other property by defrauding governmental entities, financial institutions, businesses, and individuals through fraudulent schemes and misrepresentations; (b) obtaining money through extortion; (c) receiving, holding and distributing money received from the Enterprise's illegal activities; and (d) spending and using money obtained through illegal activities for the benefit of the Enterprise and the members of the Enterprise, and others who furthered the criminal activities of the Enterprise.



### **MANNER AND MEANS OF THE ENTERPRISE**

23. Among the manner and means whereby the defendants and others conducted and participated in the conduct of the affairs of the Enterprise were the following:

A. To enrich themselves and to generate money for the Enterprise, the defendants and others engaged in illegal money making activities, including schemes to defraud, extortion, and commercial bribery. Among other sources, the defendants obtained money from:

(i) funds contributed to the SCMS for the benefit of the SCMS by individuals and organizations, which defendants SHAMSUD-DIN ALI and FARIDAH ALI fraudulently diverted to their personal use and benefit;

(ii) funds paid to the SCMS by the Community College of Philadelphia (“CCP”) as rental payments for the use of the SCMS facility to conduct courses on behalf of the CCP, which defendants SHAMSUD-DIN ALI and FARIDAH ALI fraudulently diverted to their personal use and benefit;

(iii) cash payments obtained from individuals who were engaged in the illegal distribution of controlled substances; and

(iv) funds obtained through fraud, bribery and extortion.

B. In furtherance of the operation and the affairs of the Enterprise, defendants SHAMSUD-DIN ALI and FARIDAH ALI used their positions of influence, power and control over KIFS and SCMS to devise and carry out schemes to defraud government entities, private business entities and individuals, and thereby make money unlawfully and enrich themselves and the Enterprise.

(i) Defendant SHAMSUD-DIN ALI caused material misrepresentations to

be made to the City of Philadelphia regarding the capabilities of KIFS and its employees, in order to carry out governmental related functions, such as debt collection services for the City of Philadelphia, to obtain a lucrative professional service with the City of Philadelphia and the payment of a \$60,595.61 fee pursuant to that contract, even though KIFS did not provide services on behalf of the City of Philadelphia;

(ii) Defendant SHAMSUD-DIN ALI caused material misrepresentations to be made to the City of Philadelphia regarding the participation of KIFS as a minority-owned business in a contract to manage a wireless telecommunications program at the Philadelphia International Airport (“the Airport”), thereby causing the City of Philadelphia to award the contract to AAT Communications Corporation (“AAT”), which resulted in AAT paying a monthly commission to KIFS even though KIFS was not participating in the performance of the contract as a minority-owned business. To maintain the flow of money to KIFS from the Airport contract, SHAMSUD-DIN ALI agreed to “kick back” a portion of the fees paid to KIFS by AAT to RICHARD MEEHAN for MEEHAN’s assistance in carrying out the scheme; and

(iii) the defendants solicited and obtained contributions of funds from various individuals and organizations through material misrepresentations that the funds would be used exclusively for the benefit of SCMS and its students, and then fraudulently diverted the funds to the personal use and benefit of defendants SHAMSUD-DIN ALI, FARIDAH ALI, their family members and their associates.

C. To advance the interests of the Enterprise, the defendants created and used false and fraudulent financial documents to misrepresent the true condition of their personal finances and the financial affairs of the Enterprise. These false and fraudulent documents

included:

(i) the creation and use of false financial statements and sham tax returns for KIFS to create the false impression that KIFS was a viable business entity, thereby enabling the defendants to continue to use the KIFS business entity to conduct the affairs of the Enterprise;

(ii) the creation and use of sham personal income tax returns designed to create the false impression that the defendants had earned legitimate income and were in compliance with applicable tax laws, when in fact the defendants had obtained income from illegal activities and had not filed tax returns with the Internal Revenue Service;

(iii) the creation and use of sham payroll records and sham IRS W-2 Forms to create the false impression that defendant FARIDAH ALI had substantial legitimate income from SCMS, when, in fact, FARIDAH ALI's income was derived from illegal activities, so that FARIDAH ALI could obtain extensions of credit from lending institutions; and

(iv) the creation and submission of false student registration forms and false teacher application forms to create the false impression that Adult Basic Education courses were being offered at SCMS on behalf of the CCP by qualified teachers, so that the defendants could obtain money from the CCP in payment of rent to SCMS for courses that were, in fact, never conducted at SCMS.

D. The defendants obtained money for the Enterprise through extortion from persons who believed that defendant SHAMSUD-DIN ALI possessed power and influence over appointed and elected officials of the City of Philadelphia, and therefore could cause economic harm to the businesses of the extortion victims if they did not pay money to the Enterprise.

(i) Although neither defendant SHAMSUD-DIN ALI nor defendant

FARIDAH ALI held any official elected or appointed positions in the government of the City of Philadelphia, SHAMSUD-DIN ALI and FARIDAH ALI supported the campaigns of political candidates, and cultivated and maintained personal relationships with elected and appointed government officials. In furtherance of the operation of the Enterprise, SHAMSUD-DIN ALI and FARIDAH ALI represented that, because of their support of candidates and their personal relationships with elected and appointed officials, SHAMSUD-DIN ALI had the ability to influence the official acts of elected and appointed officials in the City of Philadelphia government, including decisions about who should receive contracts with City government.

(ii) Defendant SHAMSUD-DIN ALI used Hi-Tech: (a) to solicit and obtain extortion payments from a business engaged in interstate commerce by threatening to use his influence with government officials to cause economic harm to the business, namely, causing the City of Philadelphia to terminate a contractual relationship with the business unless the business paid SHAMSUD-DIN ALI and JOHN JOHNSON; and (b) to attempt to obtain extortion payments from a second business that was attempting to obtain a contract with the City of Philadelphia.

E. The defendants used SCMS to disguise and conceal the receipt of cash for the use and benefit of the Enterprise, including the collection of proceeds from drug traffickers.

### **THE RACKETEERING VIOLATION**

24. Beginning in or about January 1998 and continuing through in or about October 2003, in the Eastern District of Pennsylvania and elsewhere, defendants

**SHAMSUD-DIN ALI,**

**a/k/a “Shamps,”  
a/k/a “the Imam,”  
and  
FARIDAH ALI,  
a/k/a “Rita Spicer,”  
a/k/a “Rita Ali,”**

together with others known and unknown to the grand jury, being members of and persons associated with the Enterprise described in paragraphs 1 through 23 of Count One of this indictment, knowingly and unlawfully conducted and participated, directly and indirectly, in the conduct of the affairs of the Enterprise through a pattern of racketeering activity, that is, the commission of Racketeering Acts One through Twelve of this count. Each defendant participated in the operation and management of the Enterprise, as set forth herein.

**THE PATTERN OF RACKETEERING ACTIVITY**

25. The pattern of racketeering activity, as defined by 18 U.S.C. §§ 1961(1) and 1961(5), consisted of the following acts:

**RACKETEERING ACT ONE**

(Scheme to Defraud the City of Philadelphia - KIFS’ Tax Collection Contract)

26. Beginning in or about April 2001 and continuing through in or about April 2002, defendant SHAMSUD-DIN ALI, together with JOHN CHRISTMAS and STEVEN VAUGHN, who are not named defendants in Racketeering Act One but who are named defendants in Counts Three through Six of this indictment, and other persons known and unknown to the grand jury, participated in a scheme to defraud the City of Philadelphia and its citizens and to obtain money and property, namely a professional service contract for KIFS and the payment of a \$60,595.61 fee to KIFS under that contract, through materially false and

fraudulent pretenses, representations and promises, by:

(a) fraudulently causing the City of Philadelphia Law Department (“Law Department”) to award a contract to KIFS to serve as co-counsel for the Law Department in the collection of delinquent taxes, by: (i) falsely representing that KIFS and defendant SHAMSUD-DIN ALI had discovered a delinquent taxpayer, who was unknown to the City of Philadelphia and who was willing to pay its taxes through KIFS, when in fact the delinquent taxpayer was fully known to the Law Department and had not been discovered by KIFS or SHAMSUD-DIN ALI; and by (ii) falsely representing that KIFS and SHAMSUD-DIN ALI had the capacity to provide professional services as co-counsel for the Law Department in the collection of delinquent taxes, when in fact KIFS and SHAMSUD-DIN ALI did not have such capacity; and

(b) fraudulently causing the City of Philadelphia to pay a \$60,595.61 commission to KIFS pursuant to the professional services contract by falsely representing that KIFS and defendant SHAMSUD-DIN ALI had provided services as co-counsel on behalf of the Law Department in connection with settlement and collection of real estate tax delinquencies owed to the City of Philadelphia, when in fact KIFS and SHAMSUD-DIN ALI had not provided such services.

### **BACKGROUND**

At all times material to this indictment:

#### **The Collection of Delinquent Taxes by the Law Department**

27. Philadelphia real estate taxes became due and payable in March of each year, and became delinquent if the taxpayer did not pay the tax in full by January 1 of the following year.

28. The Law Department was responsible for the collection of delinquent taxes owed to the City of Philadelphia. To enhance the collection of delinquent taxes, the Law Department entered into professional service contracts with vendors to serve as co-counsel. Pursuant to a “discovery” co-counsel agreement, the City would pay co-counsel a fee, based upon a percentage of the amount of taxes recovered, if co-counsel identified delinquent taxpayers that were unknown to the City and which co-counsel caused to come into compliance with respect to the taxpayers’ obligations to the City. The Law Department could also agree to pay co-counsel a fee on the basis of “ancillary jurisdiction.” Under ancillary jurisdictions, the City would pay a fee, at the discretion of the City Solicitor, if co-counsel caused a taxpayer to come into compliance with tax obligations which were not covered under the vendor’s primary contract with the City. The City Solicitor required that co-counsel cause the taxpayer to come into compliance with its delinquent tax liabilities to earn a fee under ancillary jurisdiction.

#### JOHN CHRISTMAS

29. From 1990 through in or about December 1999, JOHN CHRISTMAS was employed by the Law Department as an Assistant City Solicitor. In or about January 2000, JOHN CHRISTMAS became the special assistant to the chief of staff for Philadelphia Mayor John Street. In both positions, JOHN CHRISTMAS was an employee and agent of the City of Philadelphia.

30. JOHN CHRISTMAS misused his position as the special assistant to the chief of Staff for the Mayor to assist KIFS and defendant SHAMSUD-DIN ALI obtain contracts with the City of Philadelphia.

## STEVEN VAUGHN

31. From in or about 1998 through in or about 2003, STEVEN VAUGHN was employed as the chief of staff for the councilperson elected to represent the Eighth District for the Philadelphia City Council. The Eighth District included the Chestnut Hill neighborhood of Philadelphia. Among his duties and responsibilities as chief of staff, VAUGHN provided constituent services to residents of the Eighth District.

32. STEVEN VAUGHN, as an employee and agent of the City of Philadelphia, was prohibited from soliciting or receiving money from any person in connection with the performance of his duties as the chief of staff.

### The Taxpayers: Bowman Properties, Ltd. and RS

33. Bowman Properties, Ltd. ("Bowman Properties") was a partnership doing business in Pennsylvania. Bowman Properties owned, operated and developed commercial and residential real estate, primarily in the Chestnut Hill neighborhood of Philadelphia.

34. RS, a person known to the grand jury, was the general partner of Bowman Properties. RS also owned real estate in the City of Philadelphia.

### The First Tax Delinquency

35. In January 1999, Bowman Properties and RS owed delinquent real estate taxes to the City of Philadelphia for multiple properties for the tax years 1995 through 1998.

36. In or about December 1998, RS requested that STEVEN VAUGHN assist Bowman Properties and RS resolve their tax delinquencies with the City of Philadelphia. STEVEN VAUGHN negotiated a settlement with the Law Department. Pursuant to that settlement, Bowman Properties and RS agreed to pay the City of Philadelphia \$240,989.90 to



satisfy their delinquent real estate tax liabilities for tax years 1995 through 1998.

37. Law Department personnel negotiated the 1999 settlement agreement with Bowman Properties and RS, and collected the real estate tax delinquency without hiring co-counsel or paying a fee to co-counsel.

#### The Second Tax Delinquency

38. By January 2001, Bowman Properties and RS had once again become delinquent in the payment of their real estate taxes, and owed in excess of \$600,000 on multiple properties for the tax years 1999 and 2000.

39. As of the Spring of 2001, the Law Department had commenced enforcement action against Bowman Properties and RS to collect the delinquent real estate taxes.

### **MANNER AND MEANS OF THE SCHEME**

#### **A. THE FAILURE TO PAY OVER BOWMAN PROPERTIES' TAX PAYMENTS**

40. It was part of the scheme to defraud that STEVEN VAUGHN failed to pay over to the City of Philadelphia 22 checks, totaling \$661,388.85 which Bowman Properties had given to VAUGHN between April 2001 and September 2001 to deliver to the City in payment of delinquent real estate taxes owed by Bowman Properties and RS.

41. In or about the Spring of 2001, Bowman Properties contacted STEVEN VAUGHN and asked VAUGHN to assist Bowman Properties and RS resolve their real estate tax delinquency for the years 1999 and 2000 with the City of Philadelphia.

42. On or about the following dates, Bowman Properties gave the checks described below to STEVEN VAUGHN with the direction to deliver the checks to the City of Philadelphia in payment of delinquent real estate taxes owned by Bowman Properties and RS:

- (a) April 24, 2001 - 3 checks totaling \$204,000;
- (b) July 25, 2001 - 2 checks totaling \$242,221.38;
- (c) September 28, 2001 - 16 checks totaling \$71,706.25; and
- (d) October 5, 2001 - 1 check totaling \$143,461.22.

43. Contrary to the directions given to him by Bowman Properties, STEVEN VAUGHN did not deliver the 22 checks he had received from Bowman Properties and RS to the City of Philadelphia. Instead, VAUGHN kept the checks in his possession until after KIFS had obtained a written professional services contract with the Law Department, at which time defendant SHAMSUD-DIN ALI delivered the 22 checks to the Law Department to create the false appearance that KIFS and SHAMSUD-DIN ALI had collected the tax payments from Bowman Properties and RS.

**B. KIFS OBTAINS A CONTRACT THROUGH MATERIAL MISREPRESENTATIONS**

44. It was part of the scheme to defraud that defendant SHAMSUD-DIN ALI and JOHN CHRISTMAS, STEVEN VAUGHN and other persons known and unknown to the grand jury obtained a professional services contract from the Law Department for KIFS through false and material misrepresentations, so that KIFS could obtain a fee in connection with the payment of the delinquent real estate taxes by Bowman Properties and RS, even though KIFS provided no services in connection with the collection of the delinquent taxes.

**KIFS Obtains a Discovery Contract**

45. In the Spring of 2001, STEVEN VAUGHN spoke with JOHN CHRISTMAS about the tax delinquency owed to the City of Philadelphia by Bowman Properties. After being contacted by STEVEN VAUGHN, JOHN CHRISTMAS spoke with SHAMSUD-DIN ALI and told ALI to contact the Law Department so that KIFS could work on

the matter.

46. On or about May 31, 2001, defendant SHAMSUD-DIN ALI sent a letter to the Law Department in which ALI falsely represented to the Law Department that a taxpayer who owed a substantial liability to the City had contacted KIFS and had expressed a desire to resolve it. Defendant SHAMSUD-DIN ALI represented that the taxpayer lacked knowledge of the total amount owed and that the City had no collection actions pending. SHAMSUD-DIN ALI requested jurisdiction for KIFS to act as co-counsel with respect to settling the matter.

47. The representations in the May 31, 2001 letter were materially false and misleading in that the unidentified taxpayer was in fact, Bowman Properties and RS, who: (a) had not contacted KIFS regarding their real estate tax liability or any other matter; (b) already knew the amount of their real estate tax liabilities; and (c) already knew that the City of Philadelphia had commenced enforcement action to collect the delinquent real estate taxes.

48. Some time between May 31, 2001 and June 28, 2001, defendant SHAMSUD-DIN ALI met with Law Department employees and falsely represented to them that KIFS had discovered a taxpayer who was unknown to the City who owed the City \$1 million in delinquent taxes. SHAMSUD-DIN ALI falsely represented that KIFS could collect the delinquent taxes on behalf of the City within one week.

49. In reliance upon the written and oral misrepresentations of defendant SHAMSUD-DIN ALI, the Law Department awarded a professional services contract to KIFS. On or about June 28, 2001, the Law Department sent a letter by the United States mail, to SHAMSUD-DIN ALI, advising him that KIFS was “authorized to commence collection services as to taxpayers who are not currently on the City’s tax rolls and who will voluntarily comply with

tax obligations as a result of settlements negotiated by KIFS.”

KIFS Obtains Ancillary Jurisdiction over the Bowman Properties Tax Delinquency

50. After the Law Department advised defendant SHAMSUD-DIN ALI that KIFS was authorized to commence discovery services on behalf of the Law Department, SHAMSUD-DIN ALI provided a spreadsheet to the Law Department that identified the taxpayer that KIFS had allegedly discovered, and the types and amounts of delinquent taxes owed to the City by the taxpayer.

51. When Law Department employees reviewed the spreadsheet provided by defendant SHAMSUD-DIN ALI, the Law Department learned that the taxpayer who SHAMSUD-DIN ALI had represented was unknown to the City was in fact Bowman Properties and RS. The Law Department concluded that KIFS could not earn a fee pursuant to its discovery contract because the City had known about the real estate tax delinquency and had commenced enforcement action to collect the delinquent real estate taxes before KIFS had contacted the Law Department.

52. SHAMSUD-DIN ALI, JOHN CHRISTMAS and STEVEN VAUGHN discussed obtaining the Law Department’s approval for payment of a fee to KIFS in connection with the Bowman Properties real estate tax delinquency, even though KIFS had not discovered the delinquent taxpayers. In the following telephone conversations, JOHN CHRISTMAS advised defendant SHAMSUD-DIN ALI that he would intervene on behalf of ALI and KIFS to obtain the Law Department’s approval of the payment of a fee to KIFS in connection with Bowman Properties:

(a) At approximately 1:14 p.m. on or about August 14, 2001, CHRISTMAS told

ALI that CHRISTMAS was going to call the Law Department because “this has to get done or else they will lose the taxpayer.” ALI told CHRISTMAS that they should “give me the whole thing.”

(b) At approximately 4:53 p.m. on or about August 14, 2001, CHRISTMAS told ALI that he was going “to speak with them every day because I need to get this closed out this week or the taxpayer is not going to be around anymore.... I mean he’s gonna go ahead and do it himself.” ALI told CHRISTMAS “maybe they’ll stop shortchanging me and we’ll get the benefit.” CHRISTMAS told ALI that was his intention.

(c) On or about August 23, 2001, CHRISTMAS told ALI that “it looks like the contracts are ready.” CHRISTMAS told ALI that he was still trying to see what he can do “on this real estate side.” CHRISTMAS told ALI “any how, the first step is to get the contract in place....”

53. In or about September 2001, based on communications from JOHN CHRISTMAS, the Law Department decided to give KIFS the opportunity to earn a fee in connection with the Bowman Properties real estate tax delinquency pursuant to ancillary jurisdiction.

(a) On or about September 20, 2001, the Law Department sent a written contract between the City of Philadelphia and KIFS, to defendant SHAMSUD-DIN ALI, with instructions to return the contract documents to the Law Department. The contract was entitled “Provider Agreement (Discovery Services).” Paragraph 4.1 of the Provider Agreement included the following fee provision: “Ancillary Jurisdiction (at discretion of the City Solicitor) - Real Estate 10%.”

(b) On or about September 20, 2001, the Law Department sent defendant SHAMSUD-DIN ALI a letter which referred to Bowman Properties and directed KIFS “to present a formal ‘ancillary jurisdiction’ request . . . outlining the terms and conditions of your client(s) settlement offer.”

54. On or about September 26, 2001, defendant SHAMSUD-DIN ALI returned the Provider Agreement between KIFS and the City of Philadelphia to the Law Department, signed by defendants SHAMSUD-DIN ALI and FARIDAH ALI.

**C. SHAMSUD-DIN ALI, STEVEN VAUGHN AND JOHN CHRISTMAS CREATE THE FALSE APPEARANCE THAT KIFS COLLECTED THE TAX PAYMENTS**

55. It was part of the scheme that defendant SHAMSUD-DIN ALI, JOHN CHRISTMAS and STEVEN VAUGHN created the false appearance that KIFS had provided professional services as co-counsel for the Law Department in collecting tax payments from Bowman Properties and RS, when in fact neither KIFS nor SHAMSUD-DIN ALI provided such services, so that KIFS could obtain a fee from the City of Philadelphia.

56. On or about October 5, 2001, after returning the signed Provider Agreement to the City of Philadelphia, defendant SHAMSUD-DIN ALI delivered to the Law Department the 22 checks that Bowman Properties had previously given to STEVEN VAUGHN on or about April 24, 2001, July 25, 2001, September 28, 2001 and October 5, 2001, as described in paragraph 42 above, to create the false appearance that KIFS had collected the tax payments from Bowman Properties and RS. SHAMSUD-DIN ALI and STEVEN VAUGHN discussed the delivery of the 22 checks in the following telephone conversations:

(a) On October 5, 2001, STEVEN VAUGHN told defendant SHAMSUD-DIN

ALI: "I was going to call JOHN CHRISTMAS and let him know . . . we got all the stuff, and you know, you gonna be turning it in."

(b) On October 6, 2001, STEVEN VAUGHN asked how SHAMSUD-DIN ALI made out yesterday, and ALI told VAUGHN: "I turned it in." VAUGHN told ALI: "All right, well they got it now." ALI told VAUGHN: "They cooking it. It's already done." VAUGHN told ALI that John, meaning JOHN CHRISTMAS, told VAUGHN that the guy in the Law Department called CHRISTMAS because "they had some concerns." VAUGHN said that CHRISTMAS told VAUGHN that he was waiting for him because CHRISTMAS thought they were going to call him. VAUGHN told ALI that VAUGHN told CHRISTMAS: "it don't matter . . . SHAMSUD-DIN turned everything in." VAUGHN told ALI that CHRISTMAS said: "Well, don't worry about it. The deal is a deal, and it's done."

**D. SHAMSUD-DIN ALI, JOHN CHRISTMAS AND STEVEN VAUGHN  
OBTAIN THE LAW DEPARTMENT'S APPROVAL FOR PAYMENT OF  
A FEE TO KIFS THROUGH MATERIAL MISREPRESENTATIONS**

57. It was part of the scheme that defendant SHAMSUD-DIN ALI, JOHN CHRISTMAS, STEVEN VAUGHN and other persons known and unknown to the grand jury obtained the Law Department's approval to pay KIFS a fee in connection with the Bowman Properties tax collection through false and material misrepresentations regarding KIFS' performance of professional services.

**ALI, CHRISTMAS and VAUGHN Use the Mayor's Office to Pressure the Law Department**

58. After receiving the 22 checks from defendant SHAMSUD-DIN ALI, the Law Department raised questions about paying a fee to KIFS because KIFS had not obtained a settlement agreement with Bowman Properties and RS.

59. When the Law Department raised questions about paying KIFS a fee, defendant SHAMSUD-DIN ALI, JOHN CHRISTMAS, STEVEN VAUGHN, and other persons known and unknown to the grand jury, pressured the Law Department to approve the payment of fee to KIFS through the intervention of the Mayor's Office, as discussed in the following telephone conversations:

(a) On October 15, 2001, defendant SHAMSUD-DIN ALI told VAUGHN that he had spoken to GB, a person known to the grand jury who was a member of the Mayor's Office staff. ALI told VAUGHN that GB had called the City Solicitor. ALI said to VAUGHN: "I think we probably on the right wire." VAUGHN told ALI that John, meaning JOHN CHRISTMAS, "did "all the stuff he was supposed to do."

(b) On October 29, 2001, JOHN CHRISTMAS told defendant SHAMSUD-DIN ALI that he was thinking about telling a Law Department employee to send the checks back. CHRISTMAS told ALI that he "didn't know what the deliberations were at this point," but CHRISTMAS understood that the City Solicitor was telling GB that the City Solicitor "was a little uncomfortable with the contractual relationship that we created for the purposes of allowing Keystone to act as co-counsel for the City." CHRISTMAS told ALI that "we could have the problem where Keystone has no deal." CHRISTMAS told ALI that "when I started setting a lot of this stuff in motion, you know, seven months ago, . . . I had a broad direction to, you know, do whatever I could for Keystone." CHRISTMAS told ALI that he told GB: "If you don't feel that, you know, this is appropriate or, or that we can do this, then that's fine, I'll just tell them. You know, I'll tell Keystone, I'll tell Steve." CHRISTMAS told ALI that GB said: "No, it's cool . . . I just need to talk to [the City Solicitor] and lean on him a little bit more." CHRISTMAS told



ALI that “we can move on and do some other things.” CHRISTMAS told ALI: “You know, Steve’s had the money since like March .... you know, he’s under a lot of pressure....”

60. On or about November 14, 2001, GB and the Acting City Solicitor for the City of Philadelphia agreed that the Law Department would offer to settle the Bowman Properties real estate tax delinquency for payment of the tax principal plus interest, waiving penalties as to all properties except one property that was scheduled for sheriff’s sale. GB and the Acting City Solicitor agreed that the City would pay KIFS a fee of 5% of the amount collected and that KIFS would be instructed to approach counsel for Bowman Properties with the City’s settlement demand and to negotiate the final terms.

61. On or about November 15, 2001, the Law Department returned the 22 checks that defendant SHAMSUD-DIN ALI had delivered to the Law Department to SHAMSUD-DIN ALI.

62. On November 15, 2001, defendant SHAMSUD-DIN ALI had a telephone conversation with STEVEN VAUGHN during which VAUGHN told ALI: “I just left our guy. You know, CHRISTMAS. He’s cool. He told me everything, everything was still on . . . .”

#### JOHN CHRISTMAS Misrepresents KIFS’ Role in the Bowman Properties Tax Collection

63. On or about November 26, 2001, JOHN CHRISTMAS advised the Law Department that he wanted a 10% fee for KIFS. According to the Law Department, JOHN CHRISTMAS represented that SHAMSUD-DIN ALI “did in fact bring Bowman to the table, so it’s legal for the City to pay KIFS.”

64. JOHN CHRISTMAS’ representation to the Law Department as described in paragraph 63 was false and misleading in that, as JOHN CHRISTMAS well knew at the time,

KIFS had performed no services in connection with the collection of delinquent real estate taxes owed to the City of Philadelphia by Bowman Properties and RS, and did not cause Bowman Properties to agree to pay its delinquent taxes.

65. In reliance upon the misrepresentation by JOHN CHRISTMAS that SHAMSUD-DIN ALI had caused Bowman Properties to agree to pay its delinquent real estate taxes, the Law Department agreed to pay KIFS a fee of 10% of the amount collected from Bowman Properties and RS, except for the amount due on the property scheduled for sheriff sale, pursuant to the Provider Agreement between the Law Department and KIFS.

66. On or about November 28, 2001, SHAMSUD-DIN ALI had a telephone conversation with JOHN CHRISTMAS during which CHRISTMAS told ALI that “the Bowman matter is gonna work out for you.”

#### The Law Department Settles with Bowman Properties

67. On or about December 24, 2001, the Law Department sent a proposed settlement agreement regarding the delinquent real estate taxes owed to the City of Philadelphia by RS and Bowman Properties, to RS by United States mail. From on or about January 10, 2002 through on or about January 28, 2002, JOHN CHRISTMAS revised the proposed settlement agreement. From on or about February 5, 2002 through on or about February 20, 2002, an attorney for Bowman Properties known to the grand jury and a former Assistant City Solicitor known to the grand jury negotiated and prepared the final settlement agreement between the City of Philadelphia and Bowman Properties and RS. On or about February 20, 2002, RS executed a written settlement agreement on behalf of RS and Bowman Properties. Pursuant to the agreement, Bowman Properties and RS agreed to pay the City of Philadelphia the amount of

\$657,914.12 in satisfaction of the City's claim for delinquent real estate taxes, interest, penalties, attorney's fees and costs owed to the City by Bowman Properties and RS for tax years 1999 through 2001.

68. KIFS had no participation or involvement in the negotiation and preparation of the settlement agreement between the City of Philadelphia and Bowman Properties and RS described in paragraph 67.

Maintaining the False Pretense that KIFS Performed Professional Services

69. Even though the Law Department negotiated and obtained the settlement agreement with Bowman Properties and RS, without KIFS providing any services, defendant SHAMSUD-DIN ALI, JOHN CHRISTMAS and STEVEN VAUGHN maintained the false appearance that KIFS had caused Bowman Properties and RS to pay their delinquent real estate taxes.

(a) On or about December 28, 2001, Bowman Properties gave STEVEN VAUGHN two checks in the total amount of \$434,379.97 and directed VAUGHN to deliver the checks to the City of Philadelphia in payment of delinquent real estate taxes owed to the City by Bowman Properties. Contrary to the directions given to him by Bowman Properties, STEVEN VAUGHN did not deliver the two personal checks to the City of Philadelphia.

(b) On or about January 23, 2002, SHAMSUD-DIN ALI had a telephone conversation with STEVEN VAUGHN, during which VAUGHN stated that he had told JOHN CHRISTMAS that VAUGHN was going to get the checks and give them to ALI. VAUGHN told ALI that CHRISTMAS wanted VAUGHN to give everything to ALI, including the signed agreement, so ALI "can turn it all in together."

(c) On or about February 8, 2002, SHAMSUD-DIN ALI had a telephone conversation with STEVEN VAUGHN, during which VAUGHN told ALI: “I just got the money, I don’t have the signed agreement.” VAUGHN told ALI that John, meaning JOHN CHRISTMAS, wanted “everything to go to him so that he could take it over there.” VAUGHN asked ALI if he wanted VAUGHN to give it to CHRISTMAS because “CHRISTMAS is gonna say that you did it anyway.” ALI told VAUGHN that ALI will take it “over there.”

(d) On or about February 21, 2002, defendant SHAMSUD-DIN ALI delivered three checks to the Law Department, consisting of the two checks that Bowman Properties had given to VAUGHN on or about December 28, 2001, and a third check that the Bowman Properties had given to VAUGHN, in payment of the balance owed to the City of Philadelphia by Bowman Properties and RS pursuant to the written settlement agreement.

**D. KIFS COLLECTS A \$60,595.61 FEE FROM THE CITY**

70. It was part of the scheme to defraud that defendant SHAMSUD-DIN ALI, JOHN CHRISTMAS and STEVEN VAUGHN caused the City of Philadelphia to pay \$60,595.61 to KIFS as a fee for acting as co-counsel in connection with the settlement and collection of the real estate tax delinquency owed to the City by Bowman Properties and RS, when in fact KIFS had provided no such services and therefore was not entitled to payment of a fee.

(a) On or about February 26, 2002, defendant SHAMSUD-DIN ALI had a telephone conversation with JOHN CHRISTMAS, during which CHRISTMAS told ALI: “You know, I’ll be so glad when you actually get paid.” CHRISTMAS told ALI: “You know, nobody’s happy with how long it took, and you know, the Mayor was asking about it and he kept

on asking how come this is taking so long.” CHRISTMAS told ALI: “finally we were able to, you know, get it closed out and everything is fine, I mean we’ve got no negatives . . . . Everything, everything is good. I mean it helped Keystone, it helped Bowman, it helped [the councilperson]. I mean it was really a win-win.” CHRISTMAS told ALI: “don’t forget about the other opportunities that are available in that contract.” ALI told CHRISTMAS: “Absolutely not.”

(b) On or about March 26, 2002, the City of Philadelphia issued a check in the amount of \$60,595.61 payable to KIFS, in payment of an invoice submitted by ALI for a commission for KIFS as co-counsel for the Bowman Properties real estate tax collection.

**E. SHAMSUD-DIN ALI DISTRIBUTES PROCEEDS TO STEVEN VAUGHN**

71. It was part of the scheme to defraud that after the City of Philadelphia paid KIFS a \$60,595.61 fee for allegedly acting as co-counsel on behalf of the Law Department, defendant SHAMSUD-DIN ALI distributed a portion of the proceeds to STEVEN VAUGHN.

(a) On or about April 3, 2002, a check in the amount of \$60,595.61 was deposited into a business checking account in the name of KIFS.

(b) On April 18, 2002, defendant SHAMSUD-DIN ALI and STEVEN VAUGHN met at the KIFS business office at 7108 Germantown Avenue. During this meeting, VAUGHN told ALI that he needed money to pay personal expenses. VAUGHN told ALI he “needed at least 54,” meaning \$5,400. ALI told VAUGHN he could get “two grand” for VAUGHN.

(c) On or about April 18, 2002, defendant SHAMSUD-DIN ALI cashed a check drawn on the KIFS business checking account in the amount of \$2,000 made payable to “Shamsud-din Ali.”

(d) At 2:09 p.m. on or about April 18, 2002, defendant SHAMSUD-DIN ALI left a voice-mail message for STEVEN VAUGHN, during which ALI told VAUGHN: "I can cover the first request you made. I already picked that up. But I'm looking for something else."

(e) From approximately 3:25 p.m. until approximately 4:10 p.m. on or about April 18, 2002, defendant SHAMSUD-DIN ALI and STEVEN VAUGHN met at 36 Latham Parkway, Elkins Park. VAUGHN carried cash in his hand when he left the meeting.

**Racketeering Acts 1A - 1C (Mail Fraud)**

Defendant SHAMSUD-DIN ALI committed the following racketeering acts in executing the scheme to defraud the City of Philadelphia and its taxpayers, any one of which alone constitutes the commission of Racketeering Act One:

72. On or about the dates described below, in the Eastern District of Pennsylvania, having devised and intending to devise a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, as described in paragraphs 40 through 71 above, and for the purpose of executing and attempting to execute the foregoing scheme to defraud and to obtain money and property through materially false and fraudulent pretenses, representations and promises, defendant

**SHAMSUD-DIN ALI,  
a/k/a "Shamps,"  
a/k/a/ "the Imam,"**

caused to be delivered, and aided and abetted the delivery of, by the United States mail, according to the directions thereon, the following mailings:

RACKETEERING ACT	DATE	DESCRIPTION OF MAILING
1A	6/28/2001	Letter from the City of Philadelphia Law Department to SHAMSUD-DIN ALI, Keystone Information & Financial Services, Inc., 7108 Germantown Avenue, Philadelphia, PA
1B	12/24/2001	Letter from the City of Philadelphia Law Department to RS, Bowman Properties, 8238 Germantown Ave., Philadelphia, PA, and proposed settlement agreement.
1C	12/27/2001	Letter from the City of Philadelphia Law Department to SHAMSUD-DIN ALI, Keystone Information & Financial Services, Inc., 7108 Germantown Ave., Philadelphia, PA, and conformed copy of Provider Agreement (Discovery Services).

In violation of Title 18, United States Code, Sections 1341 and 2.

## **RACKETEERING ACT TWO**

(Commercial Bribery - Payments to RICHARD MEEHAN)

73. From in or about July 1999 through in or about October 2003, defendant SHAMSUD-DIN ALI agreed to pay and paid RICHARD MEEHAN, who is not named a defendant in Count One of this indictment but who is named a defendant in Counts Seven through Seventeen, kickback payments in exchange for RICHARD MEEHAN's assistance in creating and maintaining the false appearance that KIFS would be the minority-owned business participant in a contract between AAT and the City of Philadelphia to install, operate and manage a cellular telecommunication antenna site system at the Airport, thereby ensuring that KIFS would receive monthly commission payments from AAT without having to perform any work on the contract.

(a) RICHARD MEEHAN concealed the kickback agreement with defendant SHAMSUD-DIN ALI, and the kickback payments he received from SHAMSUD-DIN ALI, from RICHARD MEEHAN's employer, AAT, in violation of AAT's written employment policy were prohibiting employees from accepting from outside sources any personal fees, personal commissions, bribes and kickbacks in connection with the performance of their job.

## **BACKGROUND**

At all times relevant to this indictment:

### **The City of Philadelphia's Minority-Owned Business Enterprise Program**

74. The Minority Business Enterprise Council ("MBEC") was an agency of the City of Philadelphia, responsible for ensuring that businesses owned by minorities, women and persons with disabilities were afforded equal opportunities to compete for and obtain



contracts with the City of Philadelphia. MBEC operated under Mayor's Executive Order 01-03 and Chapter 17-500 of the Philadelphia Code, which set forth the procedures through which minority-owned businesses were identified, certified and evaluated for the award of City contracts. The City of Philadelphia used the MBEC procedures for the purpose of promoting economic diversity within the Philadelphia business community. MBEC was responsible for setting participation levels for minority-owned businesses in contracts with the City of Philadelphia. Companies seeking to obtain contracts with the City of Philadelphia were required to allocate work to certified minority-owned businesses, in accordance with the participation levels determined by MBEC.

#### AAT

75. AAT was a New York corporation, which operated out of offices located in Iselin, New Jersey. AAT was a telecommunications company that installed and managed antenna sites for wireless communications by telephone, computer and other means. Employees of AAT were prohibited from accepting from outside sources any personal fees, personal commissions, bribes and kickbacks in connection with the performance of their job.

76. RICHARD MEEHAN was an AAT employee who held the position of National Portfolio Manager from in or about 1996 to in or about December 2003. MEEHAN worked out of the Iselin, New Jersey office. MEEHAN was responsible for obtaining contracts with property owners to install, operate and manage antenna sites for wireless communication systems. Through these contracts, AAT and the property owners obtained revenue from leasing the antennae site space to telecommunication service providers.

#### The Brokerage Agreement between AAT and KIFS

77. AAT and KIFS were parties to a Facilities Brokerage Agreement (“the Brokerage Agreement”) which became effective July 26, 1999. KIFS agreed to introduce AAT representatives, including RICHARD MEEHAN, to property owners in the Philadelphia area so that AAT could obtain contracts with the property owners to install, operate and manage cellular antenna site systems. If AAT obtained a contract with a property owner through KIFS, then AAT would pay KIFS a commission based on the gross revenue that the contract subsequently generated from leasing antennae site space to telecommunication service providers.

#### SpectraSite Communications, Inc.

78. SpectraSite Communications, Inc. (“SpectraSite”) was a Delaware corporation, engaged in providing services to telecommunication companies in the United States and Canada, including the leasing and management of antenna sites, network design, tower construction and antenna installation.

#### The Concession License Agreement between AAT and the Airport

79. On or about August 19, 1999, defendant SHAMSUD-DIN ALI and RICHARD MEEHAN met with representatives from the Airport and proposed that AAT and KIFS would jointly manage the leasing of cellular antenna sites at the Airport. Under the proposed plan, cellular antenna sites at the Airport would be leased to telecommunication carriers for a flat rental fee, which would be split evenly with the City of Philadelphia.

80. Sometime between August 19, 1999 and July 19, 2000, defendant SHAMSUD-DIN ALI and MG, who at the time was a part owner and officer of KIFS, met with representatives from the Airport in Philadelphia to discuss contract opportunities at the Airport.

At this meeting, SHAMSUD-DIN ALI was introduced as an individual with significant political ties in Philadelphia, including ties to the Mayor's office, who was interested in having KIFS, a debt collection company, perform contract work at the Airport.

81. Between on or about July 19, 2000 and on or about September 13, 2000, RICHARD MEEHAN and MG prepared a response to a Request For Proposal ("RFP") issued by the City of Philadelphia for a contract for the development and management of a cellular antenna site system at the Airport. The RFP provided that the successful bidder have minority-owned business participant with at least a 10% equity interest and "meaningful and substantial" participation in the performance of the contract, including but not limited to the areas of design, construction, marketing and operations management.

82. On or about September 13, 2000, RICHARD MEEHAN and MG submitted a proposal to the Airport in response to the RFP which falsely stated that AAT and KIFS, described as an MBEC certified firm with a 20% equity interest in the contract proposal that would participate "meaningfully and substantially" in the performance of the contract, were joint venture partners who would jointly manage cellular antenna sites at the Airport. The proposal stated that the cellular antenna sites at the Airport would be leased to telecommunication carriers for a flat rental fee which would be shared with the City of Philadelphia on a 50-50 basis.

83. On or about September 13, 2000, SpectraSite submitted a response to the RFP which offered to share 70% of total gross revenue with the City, but did not include a minority-owned business participant, because SpectraSite was an equal opportunity employer of 2000 employees that was capable of handling the contract work entirely "in-house."

84. On or about December 19, 2000, the Airport rejected the contract proposal submitted by SpectraSite. The Airport decision to reject SpectraSite's proposal was based, in part, upon the fact that AAT had represented in its contract proposal that AAT had a joint venture proposal with KIFS that appeared to satisfy the City of Philadelphia's MBEC requirements.

85. On or about August 9, 2001, AAT and the City of Philadelphia entered into a Concession License Agreement ("the Contract") which provided that AAT would be responsible for the management of the wireless cellular antenna system at the Airport. The contract identified KIFS as a certified MBEC entity with a 20% equity interest that would assist AAT in the performance of its contract with the City of Philadelphia.

86. On or about May 2, 2002, RICHARD MEEHAN caused representatives from ATT to sign a licence agreement with AT&T Wireless PCS of Philadelphia, LLC ("AT&T Wireless"), which provided that AT&T Wireless would pay approximately \$204,000 annually (\$17,000 per month), over a five-year period, to lease antenna site space at the Airport. Pursuant to the terms of the Contract with the City of Philadelphia, AAT was required to share 50% of the monthly fee derived from AT&T Wireless with the City, that is, approximately \$8,500 per month. Of the remaining \$8,500 retained by AAT, AAT would share 20% of its revenue with KIFS, that is, approximately \$1,700 per month.

87. From on or about May 2, 2002 until in or about November 2002, RICHARD MEEHAN assisted AT&T Wireless in the installation of cellular antenna site equipment at the Airport. Neither defendant SHAMSUD-DIN ALI nor KIFS participated in the installation, operation or management of the cellular antenna site system at the Airport, as required by the terms of the Contract between AAT and the Airport.

### **MANNER AND MEANS OF THE BRIBERY SCHEME**

88. On or about December 20, 2001, RICHARD MEEHAN, in New York, called defendant SHAMSUD-DIN ALI, in Philadelphia, and told SHAMSUD-DIN ALI that he had negotiated a deal with AT&T Wireless to lease antenna space at the Airport for approximately \$18,000 per month. During the same telephone conversation, RICHARD MEEHAN told SHAMSUD-DIN ALI “I made a deal here that I know is gonna make you money and, you better take care of me at the end of this deal, that’s all I’m telling you right now.” In response, SHAMSUD-DIN ALI replied “Well, we gonna, we, we definitely gonna do that.”

89. On or about February 12, 2002, RICHARD MEEHAN, in New Jersey, called defendant SHAMSUD-DIN ALI, in Philadelphia, and told ALI that he was negotiating a proposed licensing agreement between AAT and AT&T Wireless through which SHAMSUD-DIN ALI would receive approximately \$1,700 per month from AAT which MEEHAN described as “a nice number for doing nothing.” MEEHAN further told SHAMSUD-DIN ALI that once the licensing agreement with AT&T Wireless was signed, “that’s when you get your money, you know.”

90. On or about August 1, 2002, RICHARD MEEHAN, in New Jersey, called defendant SHAMSUD-DIN ALI, in Philadelphia, and told defendant SHAMSUD-DIN ALI that soon “you will be the fond recipient” of a \$6,800 check from AAT, representing a commission paid to KIFS under its Brokerage Agreement with AAT. The \$6,800 represented four separate payments of \$1,700 each for the months of May, June, July and August 2002.

91. On or about August 8, 2002, RICHARD MEEHAN traveled by train from outside the Commonwealth of Pennsylvania to Philadelphia, Pennsylvania, and personally

delivered a \$6,800 check to ALI. Thereafter, ALI gave MEEHAN a \$2,000 payment.

92. Starting in or about September 2002 and continuing through October 2003, defendant SHAMSUD-DIN ALI received payments from AAT in the amount of approximately \$1,700 per month. On or about May 1, 2003, the monthly commission paid by AAT to KIFS increased from \$1,700 to \$1,785 due to the execution between AAT and AT&T Wireless of a second license agreement providing for wireless internet service at the Airport.

93. On or about September 30, 2002, RICHARD MEEHAN called defendant SHAMSUD-DIN ALI in Philadelphia, and told ALI that he should be receiving a \$1,700 check the following week from AAT. After telling ALI about the commission check, MEEHAN asked ALI to “let me know when it comes in, that’s all.”

94. On or about October 7, 2002, RICHARD MEEHAN called defendant SHAMSUD-DIN ALI in Philadelphia, to tell ALI that AT&T Wireless was going to sign a second license agreement providing for wireless internet service at the Airport. After telling ALI about the second license agreement, MEEHAN told SHAMSUD-DIN ALI, referring to the next commission check of which he was to receive a portion of the proceeds, “I guess we’ll get the check . . . probably next week . . . then we’ll work that out . . . I’m just keeping you informed, you know, of what’s happening.”

95. On or about October 22, 2002, RICHARD MEEHAN, at New Jersey, called defendant SHAMSUD-DIN ALI, at Philadelphia, and told ALI about his continued efforts to work with AT&T Wireless to resolve technical and engineering issues at the Airport so that the deal would not fall through. MEEHAN emphasized the importance of keeping the deal in place stating: “I mean, ya know, when I’m payin’ 12 hundred to you and 500 to me for the rest of

my life, ya know, that's a big deal to me, I mean at my age. ”

96. On or about November 22, 2002, defendant RICHARD MEEHAN, in New Jersey, called defendant SHAMSUD-DIN ALI, in Philadelphia, and left a voice mail message stating “we should be getting another check this week . . . which is always good. Checks are good,” referring to the monthly commission checks that AAT sent to KIFS, out of which MEEHAN received kickback/bribe payments from ALI.

97. From in or about August 2002 through in or about October 2003, RICHARD MEEHAN collected approximately \$7,000 in kickback payments from defendant SHAMSUD-DIN ALI, which MEEHAN did not disclose to his employer and which violated AAT's written employment policy that employees of AAT are prohibited from accepting from outside sources any personal fees, personal commissions, bribes and kickbacks in connection with the performance of their job.

**Racketeering Acts 2A-2K (Commercial Bribery under State Law)**

Defendant SHAMSUD-DIN ALI committed the following racketeering acts in connection with the bribery scheme described above in paragraphs 73 through 97, any one of which alone constitutes the commission of Racketeering Act Two:

98. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

knowingly conferred, offered and agreed to confer a benefit on RICHARD MEEHAN, an employee, agent and fiduciary of AAT, who, without the consent of AAT, knowingly solicited,

accepted and agreed to accept a benefit from defendant SHAMSUD-DIN ALI, the approximate amounts of which are more fully described below, upon agreement and understanding that such a benefit would influence his conduct in relation to the affairs of MEEHAN's employer and principal, that is, AAT:

RACKETEERING ACT	DATE	DESCRIPTION OF BENEFIT
2A	8/8/2002	\$2,000 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN
2B	11/2/2002	\$500 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN
2C	12/2/2002	\$500 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN
2D	12/20/2002	\$500 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN
2E	2/4/2003	\$500 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN
2F	3/10/2003	\$500 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN
2G	4/16/2003	\$500 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN
2H	5/5/2003	\$500 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN
2I	5/28/2003	\$500 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN
2J	6/2003	\$500 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN
2K	7/2003	\$500 payment from SHAMSUD-DIN ALI to RICHARD MEEHAN

In violation of Title 18, Pa. Cons. Stat. Ann., Sections 4108(a) and 4108(c).



### **RACKETEERING ACT THREE**

Defendant SHAMSUD-DIN ALI committed the following racketeering acts in connection with the commercial bribery scheme described above in paragraphs 73 through 97, any one of which alone constitutes the commission of Racketeering Act Three:

#### **Racketeering Act 3A**

(Interstate Travel in Aid of Racketeering)

99. On or about August 8, 2002, in the Eastern District of Pennsylvania and elsewhere, defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

caused RICHARD MEEHAN, who is not named a defendant in Count One but who is named a defendant in Counts Seven through Seventeen of this indictment, to travel in interstate commerce, that is, from New York to Philadelphia, Pennsylvania, with the intent to promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of unlawful activity, that is, commercial bribery in violation of the laws of Pennsylvania, Title 18, Pennsylvania Consolidated Statutes Annotated, Sections 4108(a) and 4108(c), as described above at paragraphs 73 through 98 of Racketeering Acts 2A-2K, and thereafter performed and attempted to perform an act to promote, manage, establish and carry on, and to facilitate the promotion, management, establishment and carrying on of unlawful activity, namely, commercial bribery in violation of the laws of the Commonwealth of Pennsylvania, that is, the payment of a \$2,000 kickback to RICHARD MEEHAN, upon agreement and understanding that such benefit would influence his conduct in relation to the affairs of his employer and principal, that is, AAT.

In violation of Title 18, United States Code, Sections 1952 and 2.

**Racketeering Acts 3B Through 3K**

(Use of the Mail in Aid of Racketeering)

100. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

caused the use of interstate facilities, namely the United States mail, by causing checks, described below, to be mailed from New Jersey to Philadelphia, Pennsylvania, with the intent to promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of unlawful activity, that is, commercial bribery in violation of the laws of Pennsylvania, Title 18, Pa. Cons. Stat. Ann., Sections 4108(a) and 4108(c), as described above at paragraphs 73 through 97 of Racketeering Acts 2A through 2K, and thereafter performed and attempted to perform an act to promote, manage, establish and carry on, and to facilitate the promotion, management, establishment and carrying on of unlawful activity, namely, commercial bribery in violation of the laws of the Commonwealth of Pennsylvania, that is, the payments to RICHARD MEEHAN described below, upon agreement and understanding that such benefits would influence his conduct in relation to the affairs of his employer, that is, AAT:

RACKETEERING ACT	DATE	USE OF THE MAIL	PAYMENT
3B	10/31/2002	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-SIN ALI to RICHARD MEEHAN
3C	11/30/2002	\$1,700 check sent by AAT to KIFS by U.S. mail	\$500 check from SHAMSUD-SIN ALI to RICHARD MEEHAN
3D	1/22/2002	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-SIN ALI to RICHARD MEEHAN
3E	2/28/2003	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-SIN ALI to RICHARD MEEHAN
3F	3/21/2003	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-SIN ALI to RICHARD MEEHAN
3G	4/7/2003	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-SIN ALI to RICHARD MEEHAN
3H	4/23/2003	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-SIN ALI to RICHARD MEEHAN
3I	5/16/2003	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-SIN ALI to RICHARD MEEHAN
3J	6/16/2003	\$1,785 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-SIN ALI to RICHARD MEEHAN
3K	7/14/2003	\$1,785 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-SIN ALI to RICHARD MEEHAN

In violation of Title 18, United States Code, Sections 1952 and 2.

## **RACKETEERING ACT FOUR**

(Scheme to Defraud Commerce Bank - KIFS' Line of Credit)

### **THE SCHEME TO DEFRAUD**

101. From in or about Fall 2001 through in or about August 2003, defendant SHAMSUD-DIN ALI, aided and abetted by JOHN SALTER, who is not named a defendant in Count One but who is named a defendant in Count Eighteen of this indictment, devised and conducted a scheme to defraud Commerce Bank, a financial institution, and to obtain moneys, funds, credits, assets, securities and other property, owned by or under the custody and control of Commerce Bank by means of materially false and fraudulent pretenses, representations and promises, by submitting materially false and misleading financial information to Commerce Bank, including (i) false financial statements for KIFS; (ii) a sham IRS corporate income tax return for KIFS; and (iii) a false personal financial statement for SHAMSUD-DIN ALI; which created the false appearance that KIFS was a viable business entity and that SHAMSUD-DIN ALI had sufficient personal financial security to ensure that a \$100,000 line of credit ("LOC") granted by Commerce Bank to KIFS would be repaid in full, thereby causing Commerce Bank not to foreclose the LOC, and to the extend maturity dates for the LOC and to renew the LOC for an additional term.

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### **BACKGROUND**

At all times relevant to this indictment:

#### **The Commerce Bank LOC for KIFS**

102. Commerce Bank was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation ("FDIC").

103. In or about June 1999, Commerce Bank granted a \$100,000 LOC to KIFS for the purpose of funding its business operating expenses. The LOC was secured by: a first lien on the business assets of KIFS; a second lien on a property owned by MG, a person known to the grand jury who at the time was an owner and officer of KIFS; and a 50% guaranty from the United States Small Business Administration. In addition, defendant SHAMSUD-DIN ALI and MG personally guaranteed the LOC.

104. The LOC was for an initial one-year term, during which Commerce Bank required KIFS to pay only interest on the outstanding balance of the LOC. When the LOC matured at the end of the one-year term, the entire outstanding principal balance on the LOC was due in full. Commerce Bank could grant extensions of the maturity date to KIFS, up to seven years, provided that KIFS submitted financial statements and tax returns which demonstrated that KIFS remained a viable business capable of making interest payments until the LOC matured and the principal balance became due. In 2000, Commerce Bank extended the maturity date to August 1, 2001. Between August 1999 and June 2000, KIFS borrowed the full amount of the \$100,000 LOC.

#### JOHN SALTER

105. JOHN SALTER was an individual with a background in accounting who prepared individual and corporate tax returns. JOHN SALTER operated out of an office located at 7478 Rhoads Street, Philadelphia Pennsylvania.

#### **MANNER AND MEANS OF THE SCHEME TO DEFRAUD**

106. It was part of the scheme to defraud that SHAMSUD-DIN ALI and JOHN SALTER, who is not named as a defendant in Count One of this indictment but who is named a

defendant in Count Eighteen, prepared materially false financial documents and submitted the documents to Commerce Bank with the intent to cause Commerce Bank to extend the maturity date for the LOC and to renew the LOC for KIFS for additional periods of time.

107. In August of 2001 the LOC became due and Commerce Bank again considered whether to renew the LOC maturity date. Commerce Bank requested that KIFS provide financial information to enable the bank to evaluate KIFS' financial condition. Commerce Bank extended the maturity date of the LOC in one-to-three-month increments while the materials were being submitted and evaluated.

(a) On or about November 27, 2001, defendants SHAMSUD-DIN ALI told JF, a loan officer for Commerce Bank who is known to the grand jury, that KIFS had filed its 2000 federal corporate tax return with the IRS, and that a copy of the 2000 federal corporate tax return, along with a copy of a corporate financial statement for the year ending December 31, 2000, would be provided to Commerce Bank, in support of extending the LOC for KIFS for an additional one-year term. The statement of SHAMSUD-DIN ALI to JF was false and misleading in that KIFS had not filed a 2000 federal income tax return with the IRS.

(b) On or about December 13, 2001, JOHN SALTER, at the request of defendant SHAMSUD-DIN ALI, prepared a false financial statement for KIFS for the year ending December 31, 2000, by altering a copy of a 1999 financial statement for KIFS that had been prepared by an outside accounting firm and by fabricating new financial data for KIFS, which materially misrepresented the financial condition of KIFS.

(c) On or about December 13, 2001, JOHN SALTER, at the request of defendant SHAMSUD-DIN ALI, created two false balance sheets for KIFS, dated December 7, 2001 and

December 11, 2001, which materially misrepresented KIFS' financial condition in that JOHN SALTER fabricated the financial data contained in the balance sheets.

(d) On or about December 13, 2001, defendant SHAMSUD-DIN ALI caused the false financial statement and false balance sheets that JOHN SALTER had created for KIFS to be delivered to Commerce Bank, in support of extending the LOC for an additional one-year term.

(e) On or about January 2, 2002, defendant SHAMSUD-DIN ALI asked JOHN SALTER to create a sham 2000 federal corporate income tax return for KIFS so that ALI could give it to Commerce Bank to create the false appearance that KIFS had filed the corporate income tax return, in support of extending the LOC for KIFS for an additional one-year term.

(f) On or about January 28, 2002, after speaking with JF and defendant SHAMSUD-DIN ALI, JOHN SALTER created a sham 2000 federal corporate tax return for KIFS which materially misrepresented KIFS' financial condition in that JOHN SALTER fabricated the financial data contained in the sham corporate tax return, and created the false impression that KIFS had filed its 2000 federal corporate income tax return.

(g) On or about February 5, 2002, defendant SHAMSUD-DIN ALI signed the sham 2000 federal corporate income tax return and had a copy of the sham tax return delivered to Commerce Bank.

(h) On or about March 27, 2002, defendant SHAMSUD-DIN ALI and JOHN SALTER created and submitted to Commerce Bank a false personal financial statement for SHAMSUD-DIN ALI which materially misrepresented ALI's financial condition in that ALI and JOHN SALTER fabricated financial data contained in the personal financial statement.

108. At various times during the period from December 2001 through the

Summer of 2002, SHAMSUD-DIN ALI and JOHN SALTER caused the false financial records described in paragraph 107 to be delivered to Commerce Bank.

109. On or about July 22, 2002, in reliance upon the materially false and fraudulent financial information prepared and submitted by SHAMSUD-DIN ALI and JOHN SALTER, Commerce Bank approved the renewal of the LOC for KIFS for an additional one-year period and extended the maturity date for the LOC for an additional one-year period, that is, until August 1, 2003.

**Racketeering Act 4**

110. From in or about the Fall of 2001 to in or about August, 2003, in the Eastern District of Pennsylvania and elsewhere, defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/ka/ “the Imam,”**

knowingly executed and attempted to execute a scheme to defraud Commerce Bank, a financial institution, and to obtain moneys, funds, credits, assets, securities and other property owned by or under the control and custody of a financial institution, by means of materially false and fraudulent pretenses, representations and promises.

In violation of Title 18, United States Code, Sections 1344(1), 1344(2) and 2.



## **RACKETEERING ACT FIVE**

(Conspiracy to Extort a City of Philadelphia Vendor)

111. Beginning in or about July 2002 and continuing through in or about November 2002, defendant SHAMSUD-DIN ALI and JOHN JOHNSON, who is not named as defendant in Count One but who is named a defendant in Counts Nineteen through Twenty-One of this indictment, devised and conducted a scheme to extort a company doing business with the City of Philadelphia by threatening to cause economic harm to the company namely, threatening to have SHAMSUD-DIN ALI exercise his power and influence over elected and appointed officials of the City government to cause the City to terminate a renewable contract between the company and the City of Philadelphia and to prevent the company from obtaining other contracts with the City of Philadelphia, unless the company paid a \$25,000 “bonus” to ALI and JOHNSON.

## **BACKGROUND**

### **WASTE MANAGEMENT & PROCESSORS, INC.**

112. At all times relevant to this indictment, Waste Management & Processors, Inc. (“WMPI”), of Frackville, Pennsylvania, was a business engaged in interstate commerce. BR, a person known to the grand jury, was the Vice-President of WMPI. DC, a person known to the grand jury, served as the Treasurer for WMPI.

113. In or about November 2001, WMPI responded to a bid invitation issued by the City of Philadelphia for a contract relating to the hauling and disposal of biological solids generated by the Philadelphia sewage treatment system (“the Biosolids Contract”).

114. In or about December 2001, the City of Philadelphia awarded the

Biosolids Contract to WMPI. The Biosolids Contract was for an initial one-year term for the calendar year 2002, with options for the City to renew the agreement for three additional one-year terms.

115. On or about December 10, 2001, WMPI entered into an Agreement For Professional Waste Management Services with Hi-Tech to serve as a consultant for WMPI in connection with its Biosolids Contract with the City of Philadelphia.

**MANNER AND MEANS OF THE EXTORTION SCHEME**

116. It was part of the scheme that defendant SHAMSUD-DIN ALI and JOHN JOHNSON represented to WMPI that, due to their alleged access to and influence over City of Philadelphia government and its officials, ALI and JOHNSON could influence and control whether the City of Philadelphia would renew the Biosolids Contract for the year 2003, and whether the City of Philadelphia would enter into future contracts with WMPI.

(a) In or about July or August 2002, JOHN JOHNSON told BR that there might be a problem in getting the Biosolids contract renewed with the City of Philadelphia.

(b) On or about August 21, 2002, JOHN JOHNSON told DC that JOHN JOHNSON was attempting to schedule a meeting with a member of the City of Philadelphia Mayor's staff regarding the renewal of the Biosolids contract for WMPI.

(c) On or about August 29, 2002, BR and another person known to the grand jury met with JOHN JOHNSON and defendant SHAMSUD-DIN ALI, and a member of City of Philadelphia Council known to the grand jury, at the Four Seasons Hotel in Philadelphia for lunch. During this meeting, SHAMSUD-DIN ALI was introduced to BR as a person who had access to and influence with people in the City of Philadelphia government. During this meeting,

the participants discussed the Biosolids Contract between WMPI and the City of Philadelphia.

(d) In or about September 2002, BR met with defendant SHAMSUD-DIN ALI and JOHN JOHNSON at the office of a City of Philadelphia Councilperson known to the grand jury. During this meeting the Councilperson placed a telephone call to the Mayor of the City of Philadelphia and referenced the WMPI Biosolids contract.

(e) In or about September 2002, JOHN JOHNSON told BR that the Biosolids contract would be renewed.

117. It was part of the scheme that defendant SHAMSUD-DIN ALI and JOHN JOHNSON communicated threats to use their power and influence over City of Philadelphia officials to cause the City not to renew the Biosolids Contract with WMPI and to terminate the Biosolids Contract, unless WMPI paid a \$25,000 “bonus” to ALI and JOHNSON.

(a) In or about September 2002, defendant SHAMSUD-DIN ALI and JOHN JOHNSON traveled to Gilberton, Pennsylvania, to meet with BR and discuss the Biosolids Contract. During this meeting, JOHN JOHNSON told BR that JOHNSON and defendant SHAMSUD-DIN ALI had earned a \$25,000 bonus for having the contract renewed.

(b) On or about September 26, 2002, JOHN JOHNSON had a telephone conversation with defendant SHAMSUD-DIN ALI, during which JOHNSON told ALI that he gave BR the number “25,” and that JOHNSON would call BR to make sure that BR knew it was \$25,000 and not \$2,500. ALI told JOHNSON to make sure that BR knew that this was serious business.

(c) On or about September 26, 2002, defendant SHAMSUD-DIN ALI had a telephone conversation with JOHN JOHNSON, during which ALI told JOHNSON to make sure

that BR knew that BR could use "somebody who could walk into the Mayor's Office."

(d) Between September 2002 and October 2002, JOHN JOHNSON called BR on numerous occasions and demanded that BR agree to pay \$25,000 to JOHNSON and SHAMSUD-DIN ALI.

(e) On or about September 27, 2002, JOHN JOHNSON had a telephone conversation with defendant SHAMSUD-DIN ALI, during which JOHNSON told ALI that "BR is not stupid. I think that he knows that he has to pay us; he doesn't want me complaining to the City; if he's going to cooperate, he'll have to keep this group here happy; he sees the power."

(f) On or about October 15, 2002, JOHN JOHNSON had a telephone conversation with defendant SHAMSUD-DIN ALI, during which JOHNSON told ALI that JOHNSON was relying on BR saying that BR was going to make him happy. JOHNSON told ALI: "I'm gonna bulldog this one in or declare war."

(g) On or about October 17, 2002, SHAMSUD-DIN ALI had a telephone conversation with JOHN JOHNSON, during which ALI told JOHNSON that BR was hurting his feelings by not paying the money. JOHNSON stated that BR knows he is "in a box." ALI stated that he was not "gonna let no coward play with me" and said that ALI would "turn on him ferociously."

(h) Sometime between September 2002 and October 2002, JOHN JOHNSON had a telephone conversation with DC, during which JOHNSON threatened that he would go to the Mayor's Office if the "bonus" was not paid by BR. JOHNSON also told DC that WMPI would never get work with the City of Philadelphia again.

(i) Between October 30, 2002 and November 13, 2002, in response to the threats

communicated to BR and DC by JOHN JOHNSON and defendant SHAMSUD-DIN ALI, WMPI paid \$25,000 to ALI and JOHNSON, by wire transferring the funds in three installments of \$5,000, \$10,000 and \$10,000, to a bank account in the name of JOHN JOHNSON.

(j) On or about November 13, 2002, defendant SHAMSUD-DIN ALI had a telephone conversation with JOHN JOHNSON, during which JOHNSON told ALI that he had ALI's "package for tomorrow morning," and that everything was okay with that.

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**Racketeering Act 5**

Defendant SHAMSUD-DIN ALI committed the following racketeering acts in furtherance of the scheme to extort, any one of which alone constitutes the commission of Racketeering Act Five:

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**Racketeering Act 5A (Hobbs Act Conspiracy)**

118. From in or about July 2002 to in or about November 2002, in the Eastern District of Pennsylvania and elsewhere, defendant

**SHAMSUD-DIN ALI,  
a/k/a "Shamps,"  
a/k/a "the Imam,"**

together with co-conspirator JOHN JOHNSON, who is not named a defendant in Count One but is named a defendant in Counts Nineteen through Twenty-One of this indictment, did combine, conspire and agree together and with other persons known and unknown to the grand jury, to commit extortion, which extortion would obstruct, delay and affect commerce and the movement of articles and commodities in commerce, in that SHAMSUD-DIN ALI and JOHN JOHNSON conspired to obtain property from another, with consent, through the wrongful use of actual and threatened fear of economic harm.

In violation of Title 18, United States Code, Sections 1951(a) and 1951(b).

**Racketeering Act 5B (Conspiracy to Commit Extortion under State Law)**

119. From in or about July 2002 to in or about November 2003, in the Eastern District of Pennsylvania and elsewhere, defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

together with JOHN JOHNSON, conspired and agreed together, and with other persons known and unknown to the grand jury, to obtain and withhold the property of others by extortion, that is, by threatening to cause an official to take and withhold action and by threatening to inflict economic harm, and in furtherance of the conspiracy, did commit an overt act.

In violation of Title 18, Pennsylvania Consolidated Statutes Annotated, Sections 903, 3923(a)(4) and 3923(a)(7).

**Racketeering Act 5C (Hobbs Act Extortion)**

120. Beginning in or about July 2002 and continuing through in or about November 2002, in the Eastern District of Pennsylvania, defendant

**SHAMSUD-DIN ALI  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

obstructed, delayed and affected commerce and the movement of articles and commodities in commerce, by extortion, in that SHAMSUD-DIN ALI obtained property of WMPI, with its consent, having been induced by the wrongful use of actual and threatened fear of economic harm, in that, SHAMSUD-DIN ALI demanded and obtained a payment of \$25,000, by

threatening WMPI that SHAMSUD-DIN ALI would use his actual and perceived influence with officials of the City of Philadelphia to induce the City to terminate WMPI's existing Biosolids Contract with the City of Philadelphia, and not renew the Biosolids Contract for the year 2003, and to preclude WMPI from obtaining future contracts with the City of Philadelphia.

In violation of Title 18, United States Code, Sections 1951(a) and 1951(b).

**Racketeering Act 5D (Extortion under State Law)**

121. Beginning in or about July 2002 and continuing through in or about November 2002, in the Eastern District of Pennsylvania, defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

obtained and withheld the property of another by threatening to cause an official to act and to withhold taking action, and by threatening to inflict economic harm, in that SHAMSUD-DIN ALI obtained a payment of \$25,000 from WMPI, with its consent, by threatening WMPI that SHAMSUD-DIN ALI would use his actual and perceived influence with officials of the City of Philadelphia to induce the City to terminate WMPI's existing Biosolids Contract with the City of Philadelphia, and not renew the Biosolids Contract for the year 2003, and to preclude WMPI from obtaining future contracts with the City of Philadelphia.

In violation of Title 18, Pennsylvania Consolidated Statutes Annotated, Sections 3923(a)(4) and 3923(a)(7).

## **RACKETEERING ACT SIX**

(Attempt to Extort a City Vendor)

122. Beginning in or about January 2003 and continuing through on or about February 7, 2003, in the Eastern District of Pennsylvania, defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

and JOHN JOHNSON, who is not named a defendant in Count One but is named a defendant in Counts Nineteen through Twenty-One of this indictment, attempted to obstruct, delay and affect commerce and the movement of articles and commodities in commerce, by extortion, in that SHAMSUD-DIN ALI and JOHN JOHNSON attempted to obtain property of Waste Management of Pennsylvania (“WMPA”), with its consent, being induced by the wrongful use of actual and threatened fear of economic harm, in that, SHAMSUD-DIN ALI and JOHN JOHNSON demanded that WMPA award a consulting contract to Hi-Tech which would require WMPA to pay approximately 10% to 20% of the revenues that WMPA would receive from a sludge removal contract that WMPA was attempting to obtain with the City of Philadelphia, by threatening WMPA that SHAMSUD-DIN ALI would use his actual and perceived influence with officials of the City of Philadelphia to induce the City to reject WMPA’s bid on the contract, and to prevent WMPA from obtaining future contracts with the City of Philadelphia.

## **BACKGROUND**

123. At all times relevant to this indictment, WMPA was located in Morrisville, Pennsylvania, and engaged in interstate commerce.

124. CR, a person known to the grand jury, was the Public Sector Services



Manager for WMPA.

125. In or about January 2003, WMPA responded to a bid proposal issued by the City of Philadelphia Water Department to provide sludge removal services for the City.

**MANNER AND MEANS OF THE ATTEMPT TO EXTORT**

126. It was part of the attempt to obtain property from WMPA through extortion that defendant SHAMSUD-DIN ALI and JOHN JOHNSON represented to WMPA that, due to their alleged access to and influence over City of Philadelphia government and its officials, ALI and JOHNSON could influence and control whether the City of Philadelphia would award the sludge removal contract to WMPA, and whether the City of Philadelphia would enter into future contracts with WMPA.

127. In or about January 2003, JOHN JOHNSON called CR and arranged a meeting to discuss WMPA's bid on the sludge removal contract with the City of Philadelphia.

128. In or about January 2003, defendant SHAMSUD-DIN ALI and JOHN JOHNSON met with CR and told him that if WMPA hired Hi-Tech as a consultant on the sludge removal contract and paid Hi-Tech 20% of the revenues that WMPA would receive from the sludge removal contract with the City of Philadelphia, then ALI and JOHNSON would guarantee that WMPA would get the sludge removal contract. ALI and JOHNSON told CR that ALI was someone who knew the Mayor of Philadelphia and was a very important person. JOHNSON further said that "without him [WMPA] would not get anything," and that it was "a new day in Philadelphia" and WMPA had to use Hi-Tech because of its connections.

129. On or about February 7, 2003, defendant SHAMSUD-DIN ALI and JOHN JOHNSON met a second time with CR and stated that WMPA needed JOHNSON and ALI, and

that without them WMPA was “not going to get anywhere with the City.” JOHNSON stated that he and ALI had the connections with the City of Philadelphia that WMPA needed.

130. In or about February 2003, JOHN JOHNSON called CR on numerous occasions and insisted that WMPA hire Hi-Tech for the sludge removal contract.

In violation of Title 18, United States Code, Sections 1951(a) and 1951(b).

## **RACKETEERING ACTS SEVEN THROUGH TEN**

### **(Scheme to Defraud Contributors to the SCMS)**

131. From in or about the January 1998 and continuing through in or about December 2001, defendants SHAMSUD-DIN ALI and FARIDAH ALI, devised and intended to devise a scheme to defraud individuals and organizations who donated funds to SCMS, and to obtain money, i.e., approximately \$75,375 by means of materially false and fraudulent pretenses, promises and representations, by:

(a) soliciting and obtaining contributions of money from individuals and organizations on behalf of and for the benefit of SCMS and its students, by falsely representing that the funds contributed to SCMS would be used exclusively for the benefit of SCMS and its students, and thereafter fraudulently diverting the donated funds to the personal use of defendants SHAMSUD-DIN ALI and FARIDAH ALI; and

(b) soliciting and obtaining contributions of money from individuals and organizations by conducting annual fund raising events entitled “A Salute To Education” and falsely representing that the proceeds from the events would be used exclusively for the benefit of SCMS and its students, and thereafter fraudulently diverting the donated funds to the personal use of defendants SHAMSUD-DIN ALI and FARIDAH ALI.

## **THE SCHEME TO DEFRAUD**

132. It was part of the scheme that defendants SHAMSUD-DIN ALI and FARIDAH ALI falsely representing that contributions to SCMS would be used exclusively for the benefit of SCMS and its students.

(a) On or about July 31, 2001, defendant SHAMSUD-DIN ALI had a telephone

conversation with a member of the Executive Board of the Philadelphia Laborers District Council, during which SHAMSUD-DIN ALI told the member that ALI was calling concerning a letter that FARIDAH ALI sent to them soliciting funds for SCMS. SHAMSUD-DIN-ALI told the member that “any kind of help would be great.”

133. It was part of the scheme that defendants SHAMSUD-DIN ALI and FARIDAH ALI conducted annual fund raising events known as “A Salute to Education,” and solicited and obtained funds from individuals and organizations, including labor unions, to purchase tickets to the fund raising events and advertisements to be published in an event booklet, by falsely representing that the proceeds from the annual event would be used to fund scholarships for SCMS students.

134. It was part of the scheme that defendants SHAMSUD-DIN ALI and FARIDAH ALI fraudulently diverted funds that were donated to SCMS in connection with the annual fund raising events, to their personal use and benefit.

(a) Funds obtained in response to solicitations for contributions to SCMS and the annual fund raising event were deposited into a bank account in the name of SCMS.

(b) By virtue of her position as Assistant Director of Education for SCMS, defendant FARIDAH ALI controlled the SCMS bank account.

(c) After funds from the donations were deposited into the SCMS bank account, FARIDAH ALI withdrew funds from the SCMS bank account and deposited the funds into a personal checking account in the name of FARIDAH ALI. After transferring funds from the SCMS bank account to the personal checking account of FARIDAH ALI, defendants SHAMSUD-DIN ALI and FARIDAH ALI used the funds to pay personal expenses, including

mortgage payments on their personal residence, rent payments for their children, insurance, and personal credit card bills.

(d) On or about August 4, 2001, defendant FARIDAH ALI had a telephone conversation during which FARIDAH ALI told another person known to the grand jury that she could now pay some of her bills, including her income taxes, because FARIDAH ALI had received a check for \$5,000. FARIDAH ALI stated that they had received this money after FARIDAH ALI had written a letter saying SCMS was “in desperate need of money for the summer program.”

135. It was part of the scheme that defendants SHAMSUD-DIN ALI and FARIDAH ALI concealed the diversion of funds donated to SCMS and diverted to their personal use and benefit by:

(a) preventing staff members of SCMS and the Philadelphia Masjid from having access to SCMS bank account and bank account records;

(b) failing to keep and maintain accurate accounting records of the donations made to SCMS and collected during the annual fund raising events, and failing to keep and maintain accurate account records of the use and disposition of those funds;

(c) falsely representing on checks withdrawing funds from SCMS bank for deposit to the personal bank account of FARIDAH ALI, that the funds represented reimbursement of personal funds that defendants SHAMSUD-DIN ALI and FARIDAH ALI had previously expended on behalf of SCMS;

(d) failing to report and declare the amounts of funds diverted from SCMS to the personal use and benefit of SHAMSUD-DIN ALI and FARIDAH ALI as income on tax returns

required to be filed with the Internal Revenue Service and the Department of Revenue of the Commonwealth of Pennsylvania.

**Racketeering Acts Seven Through Ten**

136. From in or about January 1998 and continuing through in or about December 2001, in the Eastern District of Pennsylvania and elsewhere, having devised and intending to devise a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, and for the purpose of executing and attempting to execute the scheme to defraud and to obtain money and property through materially false and fraudulent pretenses, defendants

**SHAMSUD-DIN ALI,  
a/k/a “Shamps”  
a/k/a “the Imam,”  
and  
FARIDAH ALI,  
a/k/a “Rita Spicer”  
a/k/a “Rita Ali”**

knowingly caused to be delivered, and aided and abetted the delivery of, by the United States mail, according to the directions thereon, the following matters:

RACKETEERING ACT	DATE	SENDER	RECIPIENT	ITEM
7	05/10/00	Building Trades Council	SCMS Phila., PA	Check No. 5770 - \$325
8	05/16/00	AFSCME	SCMS Phila., PA	Check No. 16065 - \$300
9	04/12/01	Building Trades Council	SCMS Phila., PA	Check No.6717 - \$750
10	05/10/01	AFSCME	SCMS Phila., PA	Check No. 17682 - \$1,250

In violation of Title 18, United States Code, Sections 1341 and 2.

## **RACKETEERING ACT ELEVEN**

(The Scheme to Defraud the Community College of Philadelphia)

137. From in or about July 1999 and continuing through in or about December 2001, defendant FARIDAH ALI together with other persons known and unknown to the grand jury, devised and intended to devise a scheme to defraud the Community College of Philadelphia (“CCP”) and to obtain money from the CCP, through materially false and fraudulent representations, promises and representations, by fraudulently causing the CCP to pay at least \$21,600 to SCMS as payment of rent for the use of SCMS facility to conduct courses on behalf of the CCP, which in fact were not taught at SCMS, and then diverted the rent payments to the personal use and benefit of defendants SHAMSUD-DIN ALI and FARIDAH ALI.

## **INTRODUCTION**

\_\_\_\_\_ At all times relevant to this indictment:

### **The CCP Program**

138. The CCP was a public academic institution, accredited by the Middle States Association of Schools and Colleges to conduct post-secondary school courses and to grant Associate of Arts degrees. The CCP’s main campus and administrative offices were located at 1700 Spring Garden Street in Philadelphia, Pennsylvania.

139. The CCP operated an Adult Basic Education (“ABE”) program. Under the ABE program, the CCP conducted non-degree courses for adult students, including English as a Second Language, General Equivalency Diploma, Job Training, and Basic Skills. The CCP offered ABE courses at no cost to adult students who registered to attend the courses.

140. The CCP offered ABE courses at its main campus, at regional centers



operated by the CCP at locations throughout Philadelphia, and at neighborhood sites located throughout Philadelphia that were owned or operated by entities other than the CCP.

141. The CCP hired teachers at the neighborhood sites where ABE courses were being offered to teach ABE courses at those sites. The CCP paid the salaries of teachers who were assigned to teach ABE courses at the neighborhood sites. Pursuant to the CCP policy, any teacher hired by the CCP to teach an ABE course was required to have at least a Bachelor of Arts degree.

142. In addition to paying the salaries of ABE teachers at the neighborhood sites, the CCP also paid rent to the neighborhood sites for the use of the property to conduct ABE courses, at the rate of as high as \$450 for each ABE course.

#### CCP Courses at SCMS

143. The CCP used SCMS as a neighborhood site for the ABE program from the Fall 1999 semester through the Winter 2001 semester.

144. The CCP paid rent to SCMS for the use of its facilities as a CCP neighborhood site, at the rate of \$450 per ABE course taught at SCMS per semester, from the Fall 1999 semester through the Winter 2001 semester.

#### **THE SCHEME TO DEFRAUD**

145. It was part of the scheme to defraud that defendant FARIDAH ALI created the false appearance that family members, associates and other persons known to the grand jury, were qualified to teach and were teaching ABE courses at SCMS on behalf of the CCP, when in fact the persons were not qualified to teach ABE courses and, even if qualified, did not teach such courses.

(a) defendant FARIDAH ALI, and other persons known and unknown to the grand jury, obtained and created false and fraudulent student registration forms, and submitted the student registration forms to the CCP administrative office, so that the CCP would authorize and schedule ABE courses to be offered at SCMS, knowing that the false and fraudulent student registrations overstated the number of students intending to attend ABE courses at SCMS.

(b) defendant FARIDAH ALI, and other persons known and unknown to the grand jury, created, obtained and submitted false and fraudulent “Faculty and Administrative Application for Employment” forms to the CCP for family members and other persons associated with SCMS, to create the false appearance that the applicants had obtained bachelor’s degrees and were therefore qualified to teach CCP classes in the ABE program and receive payment for teaching ABE courses, when in fact such family members and other persons did not have bachelor’s degrees and were not qualified to teach ABE courses and receive payment for teaching ABE courses.

(c) defendant FARIDAH ALI, through the creation and submission of false documentation, overstated the number of ABE courses that had been conducted at SCMS on behalf of the CCP so that the CCP would increase the amount of rental payments owed and paid to SCMS for the use of SCMS as a neighborhood site, and then diverted rental payments paid by the CCP to SCMS to the personal use and benefit of defendants SHAMSUD-DIN ALI and FARIDAH ALI.

146. It was part of the scheme that defendant FARIDAH ALI diverted rent payments paid by the CCP to SCMS for the use of SCMS property to conduct CCP courses, to the personal benefit of SHAMSUD-DIN ALI and FARIDAH ALI, and concealed the diversion of

the funds from SCMS and its students.

(a) defendant FARIDAH ALI directed the CCP to mail rent checks belonging to SCMS directly to the personal residence of defendants SHAMSUD-DIN ALI and FARIDAH ALI, so that staff members of SCMS would not have knowledge of or access to the rent payments.

**Racketeering Acts 11A through 11J**

Defendant FARIDAH ALI committed the following racketeering acts, any one of which alone constitutes the commission of Racketeering Act Eleven.

147. From on or about July 1999 until in or about December 2001, in the Eastern District of Pennsylvania and elsewhere, defendant

**FARIDAH ALI,  
a/k/a “Rita Spicer,”  
a/k/a “Rita Ali,”**

having devised and intended to devise, and aided and abetted the devising of, a scheme to defraud the CCP and to obtain money from the CCP by means of materially false and fraudulent pretenses, representations and promises, for the purpose of executing and attempting to execute this scheme to defraud, knowingly caused to be delivered, and aided and abetted the delivery of, by the United States mail, according to directions thereon, the mail described below:

RACKETEERING ACT	DATE	SENDER	RECIPIENT	ITEM
11A	07/22/99	CCP	SCMS, c/o Faridah Ali Melrose Park, PA	Check No.0188314 - \$9,000
11B	10/21/99	CCP	SCMS, c/o Faridah Ali Melrose Park, PA	Check No. 0190931 - \$4,050
11C	12/16/99	CCP	SCMS, c/o Faridah Ali Melrose Park, PA	Check No. 0192519 - \$10,800
11D	03/30/00	CCP	SCMS, c/o Faridah Ali Melrose Park, PA	Check No. 0195457 - \$12,600
11E	06/22/00	CCP	SCMS, c/o Faridah Ali Melrose Park, PA	Check No.0198105 - \$9,450
11F	08/31/00	CCP	SCMS, c/o Faridah Ali Melrose Park, PA	Check No. 0199917 - \$8,100
11G	11/02/00	CCP	SCMS, c/o Faridah Ali Melrose Park, PA	Check No. 0202107 - \$16,200
11H	04/05/01	CCP	SCMS, c/o Faridah Ali Melrose Park, PA	Check No. 0206412 - \$13,950
11I	07/05/01	CCP	SCMS, c/o Faridah Ali Melrose Park, PA	Check No. 0209175 - \$10,350
11J	09/20/01	CCP	SCMS, c/o Faridah Ali Melrose Park, PA	Check No.0211352 - \$6,300

In violation of Title 18, United States Code, Sections 1341 and 2.

## **RACKETEERING ACT TWELVE**

(The Scheme Obtain a Mercedes-Benz Through Fraud)

148. From in or about July 2001 to in or about August 2001, defendants SHAMSUD-DIN ALI and FARIDAH ALI, and other persons known and unknown to the grand jury, devised and intended to devise a scheme to defraud Cherry Hill Mercedes-Benz and the Mercedes-Benz Credit Corporation by submitting materially false and fraudulent financial information to obtain approval for an automobile loan in the amount \$87,078.50 to pay for the purchase of a new 2002 Mercedes-Benz S500V sedan for SHAMSUD-DIN ALI.

### **BACKGROUND**

At all times relevant to this indictment:

149. Cherry Hill Mercedes-Benz, located at 1800 Route 70 East, Cherry Hill, New Jersey, was an automobile dealer that leased and sold new Mercedes-Benz automobiles.

150. Mercedes-Benz Credit Corporation, located in Roanoke, Texas, was a corporation engaged in the business of providing financing to retail customers of Mercedes-Benz dealerships to pay for the purchase price of automobiles.

### **THE SCHEME TO DEFRAUD**

151. It was part of the scheme to defraud that defendants SHAMSUD-DIN ALI and FARIDAH ALI, caused false documents regarding FARIDAH ALI's financial condition to be created and submitted to Mercedes-Benz of Cherry Hill to induce the Mercedes-Benz Credit Corporation to extend credit to FARIDAH ALI to pay the purchase price of a new 2002 Mercedes-Benz automobile from Mercedes-Benz of Cherry Hill.

(a) From on or about July 25, 2001, through on or about August 15, 2001,

defendants SHAMSUD-DIN ALI and FARIDAH ALI negotiated the purchase of a black 2002 Mercedes-Benz S500V sedan, valued at approximately \$82,645, from Cherry Hill Mercedes-Benz, Cherry Hill, New Jersey.

(b) On or about July 25, 2001, defendant FARIDAH ALI traveled to the automobile showroom for Cherry Hill Mercedes-Benz and met with a salesperson known to the grand jury. During the meeting, FARIDAH ALI caused the salesperson to place a telephone call to defendant SHAMSUD-DIN ALI, who was in Philadelphia, Pennsylvania at the time. The salesperson spoke to SHAMSUD-DIN ALI about vehicle options for the Mercedes-Benz automobile that FARIDAH ALI sought to purchase, after which SHAMSUD-DIN ALI then spoke to FARIDAH ALI about vehicle options for the Mercedes-Benz sedan.

(c) On or about July 25, 2001, the salesperson for Cherry Hill Mercedes-Benz gave defendant FARIDAH ALI a credit application for the purchase price of a new Mercedes-Benz sedan. FARIDAH ALI completed and signed a credit application. On the credit application, FARIDAH ALI stated her employment as Assistant Director for SCMS, and falsely represented her income from her employment at SCMS as approximately \$180,000 per year.

(d) On or about July 26, 2001, FARIDAH ALI placed a telephone call from her personal residence located in Elkins Park, Pennsylvania, to Cherry Hill, New Jersey, and spoke with the Cherry Hill Mercedes-Benz salesperson. During the conversation, FARIDAH ALI falsely stated to the salesperson that she earned \$182,000 per year as the Assistant Director for SCMS, and told the salesperson that she could substantiate her income through pay stubs reflecting a monthly income of approximately \$15,000.

(e) On or about July 28, 2001, defendant FARIDAH ALI placed a telephone call

from her personal residence in Elkins Park, Pennsylvania, to Cherry Hill, New Jersey, and spoke with the Cherry Hill Mercedes-Benz salesperson. FARIDAH ALI told the salesperson that she and defendant SHAMSUD-DIN ALI wanted to go ahead with the car deal and wanted to purchase a black 2002 Mercedes-Benz S500V sedan, valued at approximately \$82,645.

(f) On or about July 30, 2001, defendant FARIDAH ALI had a telephone conversation with a relative of defendant SHAMSUD-DIN ALI during which FARIDAH ALI told the relative that she was purchasing a Mercedes-Benz 500. FARIDAH ALI stated that SHAMSUD-DIN ALI “can’t make a statement in a seven-year old car.” FARIDAH ALI stated that SHAMSUD-DIN ALI was “a world leader and can’t be driving around in an old car.”

(g) On or about August 2, 2001, defendant FARIDAH ALI instructed an employee at SCMS to create a false pay stub for FARIDAH ALI so that FARIDAH ALI could send it to Cherry Hill Mercedes-Benz to substantiate her income, as reflected on the credit application and represented to the Cherry Hill Mercedes-Benz salesperson.

(h) On or about August 10, 2001, defendant FARIDAH ALI had a telephone conversation from her home in Elkins Park, Pennsylvania with the salesperson at Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, during which FARIDAH ALI told the salesperson that she would fax to Cherry Hill Mercedes-Benz her pay stubs proving her income and proof of car insurance, so that she could take delivery of the 2002 Mercedes-Benz S500V sedan.

(i) On or about August 13, 2001, defendant FARIDAH ALI had a telephone call from her residence in Elkins Park, Pennsylvania, to the salesperson at Cherry Hill Mercedes-Benz in Cherry Hill, New Jersey, during which FARIDAH ALI confirmed that the salesperson had received the false pay stubs prepared to substantiate defendant FARIDAH ALI’s income.

152. Based on the false income information submitted by defendant FARIDAH ALI, Mercedes-Benz Credit Corporation agreed to extend credit in the amount of \$87,078.50 to FARIDAH ALI for the purchase of a black 2002 Mercedes-Benz S500V by FARIDAH ALI on behalf of defendant SHAMSUD-DIN ALI .

153. On or about August 15, 2001, defendant FARIDAH ALI went to Cherry Hill Mercedes-Benz to take delivery of the Mercedes-Benz automobile. While meeting with the Mercedes-Benz salesperson, FARIDAH ALI called defendant SHAMSUD-DIN ALI at their personal residence in Elkins Park, Pennsylvania, and asked SHAMSUD-DIN ALI to fax a copy of FARIDAH ALI's proof of insurance card to Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey

154. On or about August 15, 2001, defendant SHAMSUD-DIN ALI faxed a copy of FARIDAH ALI's proof of insurance card from Philadelphia to Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey.

**Racketeering Acts 12A - 12G**

Defendants SHAMSUD-DIN ALI and FARIDAH ALI committed the following racketeering acts in furtherance of the scheme to defraud Mercedes-Benz of Cherry Hill and Merced-Benz Credit Corporation, any one of which constitutes the commission of Racketeering Act Eleven:

155. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, defendants



**SHAMSUD-DIN ALI,**  
**a/k/a/ “Shamps,”**  
**a/k/a/ “the Imam,”**  
**and**  
**FARIDAH ALI,**  
**a/k/a “Rita Spicer,”**  
**a/k/a “Rita Ali,”**

having devised a scheme to defraud Cherry Hill Mercedes-Benz and Mercedes-Benz Credit Corporation, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, as described above in paragraphs 148 through 154, for the purpose of executing the scheme, knowingly caused to be transmitted, and aided and abetted the transmission of, by means of wire communication in interstate commerce, the signals and sounds described below:

RACKETEERING ACT	DATE	DESCRIPTION OF WIRE COMMUNICATION
12A	7/25/2001	A telephone conversation between SHAMSUD-DIN ALI, in Elkins Park, Pennsylvania, and a salesperson for Cherry Hill Mercedes-Benz and FARIDAH ALI, in Cherry Hill, New Jersey, regarding a new Mercedes-Benz automobile.
12B	7/26/2001	A telephone conversation between FARIDAH ALI, in Elkins Park, Pennsylvania and a salesperson for Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, regarding defendant FARIDAH ALI’s purported income of \$182,000 and providing monthly pay stubs of \$15,000 to Cherry Hill Mercedes-Benz to substantiate her purported yearly income.
12C	7/28/2001	A telephone conversation between FARIDAH ALI, in Elkins Park, Pennsylvania and a salesperson for Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, regarding the decision of SHAMSUD-DIN ALI and FARIDAH ALI to purchase a 2002 Mercedes-Benz S500V sedan.

12D	8/10/2001	A telephone conversation between FARIDAH ALI, in Elkins Park, Pennsylvania and a salesperson for Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, regarding FARIDAH ALI providing pay stubs to substantiate her purported income and providing proof of car insurance.
12E	8/13/01	A telephone conversation between FARIDAH ALI, in Elkins Park, Pennsylvania and a salesperson for Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, regarding the receipt of false pay stubs substantiating FARIDAH ALI's purported income from SCMS
12F	8/15/01	A telephone conversation between FARIDAH ALI, in Cherry Hill, New Jersey, and SHAMSUD-DIN ALI, in Elkins Park, Pennsylvania, regarding sending a facsimile copy of the FARIDAH ALI's proof of insurance card from Nationwide Insurance to Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey.
12G	8/15/01	A facsimile transmission between, SHAMSUD-DIN ALI in Elkins Park, Pennsylvania and Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, regarding a proof of insurance card from Nationwide Insurance for defendant FARIDAH ALI.

All in violation of Title 18, United States Code, Sections 1343 and 2.

All in violation of Title 18, United States Code, Section 1962(c).

## **COUNT TWO**

### **(Racketeering Conspiracy - 18 U.S.C. § 1962(d))**

#### **THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 23 and 25 through 155 of Count One of this indictment are incorporated here.
2. From in or about January 1998 and continuing through in or about October 2003, in the Eastern District of Pennsylvania and elsewhere, defendants

**SHAMSUD-DIN ALI,  
a/k/a "Shamps,"  
a/k/a "the Imam,"  
and  
FARIDAH ALI,  
a/k/a "Rita Spicer,"  
a/k/a "Rita Ali,"**

being persons employed by and associated with the Enterprise described in paragraphs 12 through 23 of Count One of this indictment, which Enterprise was engaged in, and the activities of which affected, interstate and foreign commerce, conspired and agreed, together and with other persons known and unknown to the grand jury, to violate Title 18, United States Code, Section 1962(c), that is, to conduct and participate, directly and indirectly, in the conduct of the affairs of the Enterprise through a pattern of racketeering activity, as that term is defined in Title 18, United States Code, Sections 1961(1) and 1961(5).

#### **THE PATTERN OF RACKETEERING ACTIVITY**

3. The pattern of racketeering activity through which the defendants agreed to conduct the affairs of the enterprise consisted of the acts set forth in paragraphs 26 through 155 of Count One of this indictment, which are incorporated here.

4. It was further part of the conspiracy that each defendant agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the Enterprise.

In violation of Title 18, United States Code, Section 1962(d).

**COUNT THREE**

**(Scheme to Defraud the City of Philadelphia - KIFS' Tax Collection Contract)  
(Conspiracy to Commit Mail Fraud - 18 U.S.C. §§ 371 and 1341)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 26 through 71 of Racketeering Act One of Count One are incorporated here.
2. From in or about April 2001 until in or about April 2002, in the Eastern District of Pennsylvania and elsewhere, defendants

**SHAMSUD-DIN ALI,  
a/k/a "Shamps,"  
a/k/a/ "the Imam,"  
JOHN CHRISTMAS  
and  
STEVEN VAUGHN,  
a/k/a "Wassi,"**

conspired and agreed, together and with others known and unknown to the grand jury, to commit offenses against the United States, that is, having devised and intended to devise a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, as described in paragraphs 26 through 71 of Racketeering Act One of Count One of this indictment, and for the purpose of executing and attempting to execute the scheme and artifice to defraud, knowingly caused to be delivered by the United States mail according to the directions thereon, the mailings described in paragraph 72 of Racketeering Act One of Count One, in violation of Title 18, United States Code, Section 1341.

3. In furtherance of the conspiracy, a defendant committed an overt act in the Eastern District of Pennsylvania, as described in paragraphs 26 through 72 of Racketeering Act

One of Count One of this indictment.

In violation of Title 18, United States Code, Section 371.

**COUNTS FOUR THROUGH SIX**

**(Scheme to Defraud the City of Philadelphia - KIFS' Tax Collection Contract)  
(Mail Fraud - 18 U.S.C. § 1341)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 26 through 71 of Racketeering Act One of Count One are incorporated here.
2. On or about the dates described below, in the Eastern District of Pennsylvania and elsewhere, having devised and intending to devise a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, as described in paragraphs 26 through 71 of Racketeering Act One of Count One, and for the purpose of executing and attempting to execute the foregoing scheme and artifice to defraud and to obtain money and property through false and fraudulent pretenses, defendants

**SHAMSUD-DIN ALI,  
a/k/a "Shamps,"  
a/k/a/ "the Imam,"  
JOHN CHRISTMAS  
and  
STEVEN VAUGHN,  
a/k/a "Wassi,"**

knowingly caused to be delivered, and aided and abetted the delivery of, by the United States mail, according to the directions thereon, the following mailings:

COUNT	DATE	DESCRIPTION OF MAILING
4	6/28/2001	Letter from the City of Philadelphia Law Department to SHAMSUD-DIN ALI, Keystone Information & Financial Services, Inc., 7108 Germantown Avenue, Philadelphia, PA
5	12/24/2001	Letter from the City of Philadelphia Law Department to RS, Bowman Properties, 8238 Germantown, Ave., Philadelphia, PA, and proposed settlement agreement.
6	12/27/2001	Letter from the City of Philadelphia Law Department to SHAMSUD-DIN ALI, Keystone Information & Financial Services, Inc., 7108 Germantown Ave., Philadelphia, PA, and conformed copy of Provider Agreement (Discovery Services).

All in violation of Title 18, United States Code, Sections 1341 and 2.



**COUNT SEVEN**

**(Interstate Travel in Aid of Racketeering - Commercial Bribery)  
(18 U.S.C. § 1952)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 73 through 97 of Racketeering Act Two of Count One are incorporated here.
2. On or about August 8, 2002, in the Eastern District of Pennsylvania and elsewhere, defendants

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”  
and  
RICHARD MEEHAN**

willfully caused RICHARD MEEHAN to travel in interstate commerce, that is, from New York to Philadelphia, Pennsylvania, with the intent to promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of unlawful activity, that is, commercial bribery in violation of the laws of Pennsylvania, Title 18, Pennsylvania.

Consolidated Statutes Annotated., Sections 4108(a) and 4108(c), as described in paragraphs 73 through 97 of Racketeering Acts 2A-2K, and thereafter performed and attempted to perform an act to promote, manage, establish and carry on, and to facilitate the promotion, management, establishment and carrying on of unlawful activity, namely, commercial bribery in violation of the laws of the Commonwealth of Pennsylvania, that is, the payment and receipt of a \$2,000 kickback to RICHARD MEEHAN, upon agreement and understanding that such benefit would influence MEEHAN’s conduct in relation to the affairs of his employer and principal, that is,

AAT.

In violation of Title 18, United States Code, Sections 1952 and 2.

**COUNTS EIGHT THROUGH SEVENTEEN**

**(Use of the Mail in Aid of Racketeering - Commercial Bribery)  
(18 U.S.C. § 1952)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 73 through 97 of Racketeering Act Two of Count One are incorporated here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”  
and  
RICHARD MEEHAN**

used and willfully caused the use of interstate facilities, namely the United States mail, by causing checks to be mailed from New Jersey to Philadelphia, Pennsylvania, with the intent to promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of unlawful activity, that is, commercial bribery in violation of the laws of Pennsylvania, Title 18, Pennsylvania Consolidated Statutes Annotated, Sections 4108(a) and 4108(c), as describe in paragraphs 73 through 97 of Racketeering Acts 2B through 2K, and thereafter performed and attempted to perform an act to promote, manage, establish and carry on, and to facilitate the promotion, management, establishment and carrying on of unlawful activity, namely, commercial bribery in violation of the laws of the Commonwealth of Pennsylvania, that is, the payments to and the receipt of payments by RICHARD MEEHAN described below, upon agreement and understanding that such benefit would influence MEEHAN’s conduct in relation

to the affairs of his employer and principal, that is, AAT:

COUNT	DATE	USE OF THE MAIL	PAYMENT
8	10/31/2002	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-DIN ALI to RICHARD MEEHAN
9	11/30/2002	\$1,700 check sent by AAT to KIFS by U.S. mail	\$500 check from SHAMSUD-DIN ALI to RICHARD MEEHAN
10	1/22/2002	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-DIN ALI to RICHARD MEEHAN
11	2/28/2003	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-DIN ALI to RICHARD MEEHAN
12	3/21/2003	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-DIN ALI to RICHARD MEEHAN
13	4/7/2003	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-DIN ALI to RICHARD MEEHAN
14	4/23/2003	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-DIN ALI to RICHARD MEEHAN
15	5/16/2003	\$1,700 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-DIN ALI to RICHARD MEEHAN
16	6/16/2003	\$1,785 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-DIN ALI to RICHARD MEEHAN

COUNT	DATE	USE OF THE MAIL	PAYMENT
17	7/14/2003	\$1,785 check sent by AAT to KIFS by U.S. Mail	\$500 check from SHAMSUD-DIN ALI to RICHARD MEEHAN

All in violation of Title 18, United States Code, Sections 1952 and 2.

**COUNT EIGHTEEN**

**(Scheme to Defraud Commerce Bank - KIFS' Line of Credit)  
(Bank Fraud - 18 U.S.C. § 1344)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 101 through 109 of Racketeering Act Four of Count One are incorporated here.

2. From in or about the Fall of 2001 to in or about August 2003, in the Eastern District of Pennsylvania and elsewhere, defendants

**SHAMSUD-DIN ALI,  
a/k/a "Shamps,"  
a/ka/ "the Imam,"  
and  
JOHN SALTER**

knowingly executed and attempted to execute a scheme to defraud Commerce Bank, a financial institution, and to obtain moneys, funds, credits, assets, securities and other property owned by or under the control and custody of a financial institution, by means of materially false and fraudulent pretenses, representations and promises.

In violation of Title 18, United States Code, Sections 1344(1), 1344(2) and 2.

**COUNT NINETEEN**

**(Conspiracy to Extort a City of Philadelphia Vendor)  
(Hobbs Act - 18 U.S.C. § 1951)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 111 through 117 of Racketeering Act Five of Count One are incorporated here.
2. From in or about July 2002 to in or about November 2002, in the Eastern District of Pennsylvania and elsewhere, defendants

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”  
and  
JOHN JOHNSON,**

conspired and agreed, together and with other persons known and unknown to the grand jury, to commit extortion, which extortion would obstruct, delay and affect commerce and the movement of articles and commodities in commerce, in that defendants SHAMSUD-DIN ALI and JOHN JOHNSON conspired to obtain property from another, with consent, through the wrongful use of actual and threatened fear of economic harm.

In violation of Title 18, United States Code, Sections 1951(a) and 1951(b).

**COUNT TWENTY**

**(Extortion of a City of Philadelphia Vendor)  
(Hobbs Act - 18 U.S.C. § 1951)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 111 through 117 of Racketeering Act Five of Count One are incorporated here.

2. Beginning in or about July 2002 and continuing through in or about November, 2002, in the Eastern District of Pennsylvania, defendants

**SHAMSUD-DIN ALI  
a/k/a “Shamps,”  
a/k/a “the Imam,”  
and  
JOHN JOHNSON**

obstructed, delayed and affected commerce and the movement of articles and commodities in commerce, by extortion, in that, SHAMSUD-DIN ALI and JOHN JOHNSON obtained property of WMPI, with its consent, having been induced by the wrongful use of actual and threatened fear of economic harm, in that, SHAMSUD-DIN ALI and JOHN JOHNSON demanded and obtained a payment of \$25,000, by threatening WMPI that SHAMSUD-DIN ALI would use his actual and perceived influence with officials of the City of Philadelphia to induce the City to terminate WMPI's existing Biosolids Contract with the City of Philadelphia, and not renew the Biosolids Contract for the year 2003, and to preclude WMPI from obtaining future contracts with the City of Philadelphia.

In violation of Title 18, United States Code, Sections 1951(a) and 1951(b).



**COUNT TWENTY-ONE**

**(Attempt to Extort a City of Philadelphia Vendor)  
(Hobbs Act - 18 U.S.C. § 1951)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 123 through 130 of Racketeering Act Six of Count One are incorporated here.

2. Beginning in or about January 2003 and continuing through on or about February 7, 2003, in the Eastern District of Pennsylvania, defendants

**SHAMSUD-DIN ALI  
a/k/a “Shamps,”  
a/k/a “the Imam,”  
and  
JOHN JOHNSON**

attempted to obstruct, delay and affect commerce and the movement of articles and commodities in commerce, by extortion, in that SHAMSUD-DIN ALI and JOHN JOHNSON attempted to obtain property of WMPI with its consent, being induced by the wrongful use of actual and threatened fear of economic harm, in that, SHAMSUD-DIN ALI and JOHN JOHNSON demanded that WMPI award a consulting contract to Hi-Tech which would require WMPI to pay approximately 10% to 20% of the revenues that WMPI would receive from a sludge removal contract that WMPI was attempting to obtain with the City of Philadelphia, by threatening WMPI that SHAMSUD-DIN ALI would use his actual and perceived influence with officials of the City of Philadelphia to induce the City to reject WMPI’s bid on the contract, and to prevent WMPI from obtaining future contracts with the City of Philadelphia.

In violation of Title 18, United States Code, Sections 1951(a) and 1951(b).

**COUNT TWENTY-TWO**

**(Scheme to Defraud Contributors to the SCMS)  
(Conspiracy to Commit Mail Fraud - 18 U.S.C. §§ 371 and 1341)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 131 through 135 of Racketeering Acts Seven through Ten of Count One are incorporated here.

2. From in or about January 1998 and continuing through in or about December 2001, in the Eastern District of Pennsylvania and elsewhere, defendants

**SHAMSUD-DIN ALI,  
a/k/a “Shamps”  
a/k/a “the Imam,”  
and  
FARIDAH ALI,  
a/k/a “Rita Spicer”  
a/k/a “Rita Ali”**

conspired and agreed together, and with others known and unknown to the grand jury, to devise and intend to devise a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, as described in paragraphs 131 through 135 of Racketeering Acts Seven through Ten of Count One of this indictment, and for the purpose of executing the scheme to defraud, and attempting to do so, knowingly caused to be delivered by the United States mail according to the directions thereon, checks constituting donations to the SCMS, in violation of Title 18, United States Code, Section 1341.

3. In furtherance of the conspiracy, defendants SHAMSUD-DIN ALI and FARIDAH ALI, and others known and unknown to the grand jury, committed an overt act in the

Eastern District of Pennsylvania and elsewhere, as described in paragraphs 131 through 135 of Racketeering Acts Seven through Ten of Count One of this indictment, each paragraph being a separate overt act.

In violation of Title 18, United States Code, Section 371.

**COUNTS TWENTY-THREE THROUGH TWENTY-SIX**

**(Scheme to Defraud Contributors to the SCMS)  
(Mail Fraud - 18 U.S.C. § 1341)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 131 through 135 of Racketeering Acts Seven through Ten of Count One are incorporated here.

2. From in or about January 1998 and continuing through in or about December 2001, in the Eastern District of Pennsylvania and elsewhere, having devised and intending to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, and for the purpose of executing and attempting to execute the scheme to defraud and to obtain money and property through false and fraudulent pretenses, defendants

**SHAMSUD-DIN ALI,  
a/k/a “Shamps”  
a/k/a “the Imam,”  
and  
FARIDAH ALI,  
a/k/a “Rita Spicer”  
a/k/a “Rita Ali”**

knowingly caused to be delivered, and aided and abetted the delivery of, by the United States mail, according to the directions thereon, the following matters:

COUNT	DATE	SENDER	RECIPIENT	ITEM
23	05/10/00	Building Trades Council	SCMS Phila., PA	Check No. 5770 - \$325
24	05/16/00	AFSCME	SCMS Phila., PA	Check No. 16065 - \$300
25	04/12/01	Building Trades Council	SCMS Phila., PA	Check No. 6717 - \$750
26	05/10/01	AFSCME	SCMS Phila., PA	Check No. 17682 - \$1,250

All in violation of Title 18, United States Code, Sections 1341 and 2.

**COUNT TWENTY-SEVEN**

**(Scheme to Obtain a Mercedes Benz)  
(Conspiracy to Commit Wire Fraud - 18 U.S.C. §§ 371 and 1343)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 148 through 154 of Racketeering Act Twelve of Count One are incorporated here.

2. From in or about July 2001 and continuing through in or about August 2001, in the Eastern District of Pennsylvania and elsewhere, defendants

**SHAMSUD-DIN ALI,  
a/k/a “Shamps”  
a/k/a “the Imam,”  
and  
FARIDAH ALI,  
a/k/a “Rita Spicer”  
a/k/a “Rita Ali”**

conspired and agreed together and with others known and unknown to the grand jury, to devise and intend to devise a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, as described in paragraphs 148 through 154 of Racketeering Act Twelve of Count One of this indictment, and for the purpose of executing the scheme to defraud, and attempting to do so, to knowingly cause to be transmitted, by means of wire communication in interstate commerce, writings, signs, signals, and sounds, that is wire communications and facsimile transmission between Elkins Park, Pennsylvania and Cherry Hill Mercedes Benz, in Cherry Hill, New Jersey, in violation of Title 18, United States Code, Section 1343.

3. In furtherance of the conspiracy, defendants SHAMSUD-DIN ALI and

FARIDAH ALI, and others known and unknown to the grand jury, committed an overt act in the Eastern District of Pennsylvania and elsewhere, as described in paragraphs 148 through 154 of Racketeering Acts Seven through Ten of Count One of this indictment, each paragraph being a separate overt act.

In violation of Title 18, United States Code, Section 371.

**COUNTS TWENTY-EIGHT THROUGH THIRTY-FOUR**

**(The Scheme Obtain a Mercedes-Benz)  
(Wire Fraud - 18 U.S.C. § 1343)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 148 through 154 of Racketeering Act Twelve of Count One are incorporated here.

2. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, defendants

**SHAMSUD-DIN ALI,  
a/k/a/ "Shamps,"  
a/k/a/ "the Imam,"  
and  
FARIDAH ALI,  
a/k/a "Rita Spicer,"  
a/k/a "Rita Ali,"**

having devised a scheme to defraud Cherry Hill Mercedes-Benz and Mercedes-Benz Credit Corporation, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, as described in paragraphs 148 through 154 of Racketeering Act Twelve of Count One of this indictment, and for the purpose of executing the scheme, knowingly caused to be transmitted, and aided and abetted the transmission of, by means of wire communication in interstate commerce, the writings, signs, signals and sounds described below:



COUNT	DATE	DESCRIPTION OF WIRE COMMUNICATION
28	7/25/2001	A telephone conversation between SHAMSUD-DIN ALI, in Elkins Park, Pennsylvania, and a salesperson for Cherry Hill Mercedes-Benz and FARIDAH ALI, in Cherry Hill, New Jersey, regarding a new Mercedes-Benz automobile.
29	7/26/2001	A telephone conversation between FARIDAH ALI, in Elkins Park, Pennsylvania and a salesperson for Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, regarding defendant FARIDAH ALI's purported income of \$182,000 and providing monthly pay stubs of \$15,000 to Cherry Hill Mercedes-Benz to substantiate her purported yearly income.
30	7/28/2001	A telephone conversation between FARIDAH ALI, in Elkins Park, Pennsylvania and a salesperson for Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, regarding the decision of SHAMSUD-DIN ALI and FARIDAH ALI to purchase a 2002 Mercedes-Benz S500V sedan.
31	8/10/2001	A telephone conversation between FARIDAH ALI, in Elkins Park, Pennsylvania and a salesperson for Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, regarding FARIDAH ALI providing pay stubs to substantiate her purported income and providing proof of car insurance.
32	8/13/01	A telephone conversation between FARIDAH ALI, in Elkins Park, Pennsylvania and a salesperson for Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, regarding the receipt of false pay stubs substantiating FARIDAH ALI's purported income from SCMS
33	8/15/01	A telephone conversation between FARIDAH ALI, in Cherry Hill, New Jersey, and SHAMSUD-DIN ALI, in Elkins Park, Pennsylvania, regarding sending a facsimile copy of the FARIDAH ALI's proof of insurance card from Nationwide Insurance to Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey.
34	8/15/01	A facsimile transmission between SHAMSUD-DIN ALI in Elkins Park, Pennsylvania and Cherry Hill Mercedes-Benz, in Cherry Hill, New Jersey, regarding a proof of insurance card from Nationwide Insurance for defendant FARIDAH ALI.

All in violation of Title 18, United States Code, Sections 1343 and 2.

**COUNTS THIRTY-FIVE THROUGH FORTY-FIVE**

**(Tax Violations - SHAMSUD-DIN ALI and FARIDAH ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

**INTRODUCTION**

1. From in or about January 1998 and continuing through in or about December 2001, defendants SHAMSUD-DIN ALI and FARIDAH ALI received income from the following sources, among others:

(a) funds contributed to the SCMS for the benefit of the SCMS by individuals and organizations, and funds paid to the SCMS as payment of tuition and scholarships for students to attend the SCMS, which defendants SHAMSUD-DIN ALI and FARIDAH ALI diverted to their personal use and benefit;

(b) funds paid to the SCMS by the CCP as rental payments for the use of the SCMS facility to conduct courses on behalf of the CCP, which defendants SHAMSUD-DIN ALI and FARIDAH ALI diverted to their personal use and benefit; and

(c) cash payments obtained from individuals who were engaged in the illegal distribution of controlled substances.

2. During the period 1998 through 2001, defendants SHAMSUD-DIN ALI and FARIDAH ALI obtained gross income in the following approximate amounts:

1998	\$121,396.07
1999	\$223,469.95
2000	\$149,879.61
2001	\$88,070.86

3. From in or about January 1998 through in or about December 2001, defendants SHAMSUD-DIN ALI and FARIDAH ALI committed affirmative acts, including but not limited to:

(a) falsely representing to individuals and organizations that funds donated to the SCMS would be used for the exclusive benefit of the SCMS and its students;

(b) concealing, by various means, the diversion of funds of the SCMS to the personal benefit and use of defendants SHAMSUD-DIN ALI and FARIDAH ALI;

(c) falsely representing to individuals involved in the illegal distribution of controlled substances that cash payments solicited and obtained by defendants SHAMSUD-DIN ALI and FARIDAH ALI were “donations” to the benefit of the SCMS;

(d) causing to be filed with the IRS false and fraudulent individual income tax returns for defendant FARIDAH ALI for the tax years 1998, 1999 and 2000; and

(e) failing to file with the IRS any individual income tax returns for defendant SHAMSUD-DIN ALI for the tax years 1998, 1999, 2000, and for defendants SHAMSUD-DIN ALI and FARIDAH ALI for tax year 2001.

**COUNT THIRTY-FIVE**

\_\_\_\_\_(Tax Evasion - 1998 Income - SHAMSUD-DIN ALI)

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 3 of the Introduction to Counts Thirty-Five through Forty-Five are incorporated here.

2. On or about April 15, 1999, in the Eastern District of Pennsylvania,  
defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

willfully attempted to evade and defeat income tax due and owing by him to the United States of America for the calender year 1998, by failing to make an income tax return on or about April 15, 1999, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from all proper officers of the United States of America his true and correct income.

In violation of Title 26, United States Code, Section 7201.

**COUNT THIRTY-SIX**

**\_\_\_\_\_ (Tax Evasion - 1998 Taxes - FARIDAH ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 3 of the Introduction to Counts Thirty-Fiver through Forty-Five are incorporated here.

2. On or about April 15, 1999, in the Eastern District of Pennsylvania, defendant

**FARIDAH ALI,  
a/k/a "Rita Spicer,"  
a/k/a "Rita Ali,"**

willfully attempted to evade and defeat income tax due and owing by her to the United States of America for the calender year 1998, by concealing and attempting to conceal from all proper officers of the United States of America her true and correct income, and by preparing and causing to be filed with the Director, Internal Revenue Service, at Philadelphia, Pennsylvania, a false and fraudulent United States Individual Income Tax Return, Form 1040, wherein it stated that her taxable income for the calender year 1998 was the sum of \$6,150, and that the amount of total tax due thereon was \$926, whereas, as she then and there well knew and believed, her taxable income for the calender year 1998 was the sum of approximately \$25,285.04 upon which the tax there due and owing to the United States of America was a total of approximately \$3,398.00.

In violation of Title 26, United States Code, Section 7201.

**COUNT THIRTY-SEVEN**

**(Filing False 1998 Tax Return - FARIDAH ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

On or about April 15, 1999, in the Eastern District of Pennsylvania, defendant

**FARIDAH ALI,  
a/k/a “Rita Spicer,”  
a/k/a “Rita Ali,”**

willfully made and subscribed a U.S. Individual Income Tax Return, Form 1040, for the calendar year 1998, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, Philadelphia Service Center, Philadelphia, Pennsylvania, which income tax return she did not believe to be true and correct as to every material matter in that the return reported taxable income in the amount of \$6,150, when in fact, as defendant FARIDAH ALI well knew, FARIDAH ALI had taxable income in substantially addition to that stated.

In violation of Title 26, United States Code, Section 7206(1).

**COUNT THIRTY-EIGHT**

\_\_\_\_\_ **(Tax Evasion - 1999 Taxes - SHAMSUD-DIN ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 3 of the Introduction to Counts Thirty-Five through Forty-Five are incorporated here.

2. On or about April 15, 2000, in the Eastern District of Pennsylvania,  
defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

willfully attempted to evade and defeat income tax due and owing by him to the United States of America for the calender year 1999, by failing to make an income tax return on or about April 15, 2000, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from all proper officers of the United States of America his true and correct income.

In violation of Title 26, United States Code, Section 7201.

**COUNT THIRTY-NINE**

**\_\_\_\_\_ (Tax Evasion - 1999 Taxes - FARIDAH ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 3 of the Introduction to Counts Thirty-Five through Forty-Five are incorporated here.

2. On or about April 15, 2000, in the Eastern District of Pennsylvania, defendant

**FARIDAH ALI,  
a/k/a "Rita Spicer,"  
a/k/a "Rita Ali,"**

willfully attempted to evade and defeat income tax due and owing by her to the United States of America for the calender year 1999, by various means, including concealing and attempting to conceal from all proper officers of the United States of America her true and correct income, and by preparing and causing to be filed with the Director, Internal Revenue Service, at Philadelphia, Pennsylvania, a false and fraudulent United States Individual Income Tax Return, Form 1040, wherein it stated that her taxable income for the calender year 1999 was the sum of \$12,137, and that the amount of tax due thereon was \$1,819, whereas, as she then and there well knew and believed, her taxable income for the calender year 1999 was the sum of approximately \$74,763.11, upon which the tax there due and owing to the United States of America was a total of approximately \$13,236.

In violation of Title 26, United States Code, Section 7201.



**COUNT FORTY**

**(Filing False 1999 Tax Return - FARIDAH ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

On or about April 15, 2000, in the Eastern District of Pennsylvania, defendant

**FARIDAH ALI,  
a/k/a “Rita Spicer,”  
a/k/a “Rita Ali,”**

willfully made and subscribed a U.S. Individual Income Tax Return, Form 1040, for the calendar year 1999, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, Philadelphia Service Center, Philadelphia, Pennsylvania, which income tax return she did not believe to be true and correct as to every material matter in that the return reported taxable income in the amount of \$12,137, when in fact, as defendant FARIDAH ALI well knew, FARIDAH ALI had taxable income substantially in addition to that stated.

In violation of Title 26, United States Code, Section 7206(1).

**COUNT FORTY-ONE**

\_\_\_\_\_ **(Tax Evasion - 2000 Taxes - SHAMSUD-DIN ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 3 of the Introduction to Counts Thirty-Five through Forty-Five are incorporated here.

2. On or about April 15, 2001, in the Eastern District of Pennsylvania,  
defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

willfully attempted to evade and defeat income tax due and owing by him to the United States of America for the calender year 2000, by failing to make an income tax return on or about April 15, 2001, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from all proper officers of the United States of America his true and correct income.

In violation of Title 26, United States Code, Section 7201.

**COUNT FORTY-TWO**

**\_\_\_\_\_ (Tax Evasion - 2000 Taxes - FARIDAH ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 3 of the Introduction to Counts Thirty-Five through Forty-Five are incorporated here.

2. On or about April 15, 2001, in the Eastern District of Pennsylvania, defendant

**FARIDAH ALI,  
a/k/a "Rita Spicer,"  
a/k/a "Rita Ali,"**

willfully attempted to evade and defeat income tax due and owing by her to the United States of America for the calender year 2000, by concealing and attempting to conceal from all proper officers of the United States of America her true and correct income, and by preparing and causing to be filed with the Director, Internal Revenue Service, at Philadelphia, Pennsylvania, a false and fraudulent United States Individual Income Tax Return, Form 1040, wherein it stated that her taxable income for the calender year 2000 was the sum of \$9,178, and that the amount of total tax due thereon was \$1,376, whereas, as she then and there well knew and believed, her taxable income for the calender year 2000 was the sum of approximately \$34,287.07, upon which the tax there due and owing to the United States of America was a total of approximately \$5,371.

In violation of Title 26, United States Code, Section 7201.

**COUNT FORTY-THREE**

**(Filing False 2000 Tax Return - FARIDAH ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

On or about April 15, 2001, in the Eastern District of Pennsylvania, defendant

**FARIDAH ALI,  
a/k/a “Rita Spicer,”  
a/k/a “Rita Ali,”**

willfully made and subscribed a U.S. Individual Income Tax Return, Form 1040, for the calendar year 2000, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, Philadelphia Service Center, Philadelphia, Pennsylvania, which income tax return she did not believe to be true and correct as to every material matter in that the return reported taxable income in the amount of \$9,178, when in fact, as defendant FARIDAH ALI well knew, FARIDAH ALI had taxable income substantially in addition to that stated.

In violation of Title 26, United States Code, Section 7206(1).

**COUNT FORTY-FOUR**

\_\_\_\_\_**(Tax Evasion - 2001 Taxes - SHAMSUD-DIN ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 3 of the Introduction to Counts Thirty-Five through Forty-Five are incorporated here.

2. On or about April 15, 2002, in the Eastern District of Pennsylvania, defendant

**SHAMSUD-DIN ALI,  
a/k/a “Shamps,”  
a/k/a “the Imam,”**

willfully attempted to evade and defeat income tax due and owing by him to the United States of America for the calender year 2001, by failing to make an income tax return on or about April 15, 2002, as required by law, to any proper officer of the Internal Revenue Service, failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from all proper officers of the United States of America his true and correct income.

In violation of Title 26, United States Code, Section 7201.

**COUNT FORTY-FIVE**

**(Tax Evasion - 2001 Taxes - FARIDAH ALI)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 3 of the Introduction to Counts Thirty-Five through Forty-Five are incorporated here.

2. On or about April 15, 2001, in the Eastern District of Pennsylvania, defendant

**FARIDAH ALI,  
a/k/a "Rita Spicer,"  
a/k/a "Rita Ali,"**

willfully attempted to evade and defeat income tax due and owing by her to the United States of America for the calender year 2000, by various means, including concealing and attempting to conceal from all proper officers of the United States of America her true and correct income, and failing to make an income tax return on or about April 15, 2002, as required by law, to any proper officer of the Internal Revenue Service, failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from all proper officers of the United States of America his true and correct income.

In violation of Title 26, United States Code, Section 7201.

**COUNT FORTY-SIX**

**(Perjury Before the Grand Jury - JOHN CHRISTMAS)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 26 through 70 of Racketeering Act One of Count One are incorporated here.

2. On or about December 3, 2003, in the Eastern District of Pennsylvania, defendant

**JOHN CHRISTMAS,**

while under oath and testifying in a proceeding before a grand jury of the United States of America in the Eastern District of Pennsylvania, knowingly made a false material declaration.

3. The grand jury empaneled on or about September 13, 2003 was conducting an investigation to determine, in part, whether JOHN CHRISTMAS, SHAMSUD-DIN ALI and other persons known and unknown to the grand jury had devised and participated in a scheme to defraud the City of Philadelphia and its taxpayers by obtaining a professional services contract from the City of Philadelphia Law Department for KIFS, and by obtaining the payment of a fee pursuant to that contract in connection with the collection of delinquent real estate taxes owed to the City by Bowman Properties, Ltd., through material misrepresentations, as described in paragraphs 26 through 70 of Racketeering Act One of Count One of this indictment.

4. It was material to the grand jury's investigation to determine whether JOHN CHRISTMAS had communications with SHAMSUD-DIN ALI regarding the Bowman Properties tax delinquency matter, and the purpose of those communications.

5. With respect to this material matter, JOHN CHRISTMAS testified as follows, at pages 116 to 118 of the transcript of the December 3, 2003 grand jury testimony:

Q. Did you ever speak to Mr. Ali about what he was doing in connection with the Bowman Properties tax delinquency matters?

A. I have no – I do not recall ever speaking to Mr. Ali asking him what is he doing on the Bowman Properties matter.

Q. My question is: Did you ever have any conversations with Mr. Ali about the Bowman Properties tax delinquency matter?  
Did you ever have any conversations with Mr. Ali about that subject?

A. Beyond the initial conversation where –

Q. You testified about that one conversation where you called him up and said –

A. Speak to the City Solicitor.

Q. Was that face-to-face or over the telephone? How did that conversation take place?

A. I don't recall whether it was face-to-face or by phone.

Q. Well, you testified earlier that he would on occasion stop by your office?

A. Yes, it could have been certainly.

Q. Other than that conversation, did you have any other conversation with Mr. Ali about the Bowman Properties tax delinquency matter that we've been discussing for the last half hour or so?

A. Not that I recall.

Q. Well, does that mean yes, you had them or no, you didn't have them, or you just don't remember?

A. I don't recall. I don't believe it happened.

Q. You don't believe it happened?



A. I don't believe I had a need to talk to him about it. I wasn't doing detail on the matter. I wasn't involved in the matter on that level.

Q. Well, just give me your best recollection.

A. I tried. I don't recall having spoken to Mr. Ali except telling him that he could speak to the City Solicitor about whether he could work on the matter. I don't recall having subsequent conversations with Mr. Ali about the matter.

6. This testimony of JOHN CHRISTMAS, as he then and there well knew and believed, was false, in that JOHN CHRISTMAS knew that he had spoken with SHAMSUD-DIN ALI during the period July 2001 through March 2002 on more than the one occasion he testified to before the grand jury, regarding the Bowman Properties tax delinquency matter and SHAMSUD-DIN ALI's efforts to obtain a professional services contract and a fee from the City of Philadelphia on behalf of KIFS, in furtherance of the scheme to defraud the City of Philadelphia and its taxpayers.

In violation of Title 18, United States Code, Section 1623.

**COUNT FORTY-SEVEN**

**(False Statement to the FBI - JOHN CHRISTMAS)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 26 to 70 of Racketeering Act One of Count One are incorporated here.
2. On or about October 9, 2003, in the Eastern District of Pennsylvania, defendant

**JOHN CHRISTMAS,**

in a matter within the jurisdiction of the Federal Bureau of Investigation ("FBI"), an agency of the United States Department of Justice, knowingly and willfully made a false material statement.

3. Agents of the FBI were investigating whether JOHN CHRISTMAS, SHAMSUD-DIN ALI and other persons known and unknown to the grand jury had devised and participated in a scheme to defraud the City of Philadelphia and its taxpayers by obtaining a professional services contract from the City of Philadelphia Law Department for KIFS and by obtaining the payment of a fee pursuant to that contract in connection with the Bowman Properties tax collection matter, through material misrepresentations, as described in paragraphs 26 through 70 of Racketeering Act One of Count One of this indictment.

4. It was material to this investigation to determine the purpose for which JOHN CHRISTMAS was using his position as special assistant to the chief of staff for the Mayor of Philadelphia to assist SHAMSUD-DIN ALI in obtaining the professional services contract and the payment of the fee for KIFS from the Law Department. It was further material to this

investigation to determine whether JOHN CHRISTMAS was acting alone or pursuant to directions from other officials of the City of Philadelphia government who had knowledge of and participated in the scheme to defraud.

5. With respect to this material matter, agents of the FBI asked JOHN CHRISTMAS whether he had ever told anyone that he had been given “broad direction” to help KIFS in any way that he could, and in response, JOHN CHRISTMAS denied making that statement to anyone.

6. This statement of JOHN CHRISTMAS, as he then and there well knew and believed, was false in that JOHN CHRISTMAS told SHAMSUD-DIN ALI that JOHN CHRISTMAS had “a broad direction to, you know, do whatever I could for Keystone” during a telephone conversation on October 29, 2001

In violation of Title 18, United States Code, Section 1001.

**COUNT FORTY-EIGHT**

**(Perjury Before the Grand Jury - JOHN CHRISTMAS)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 26 through 70 of Racketeering Act One of Count One are incorporated here.

2. On or about December 3, 2003, in the Eastern District of Pennsylvania, defendant

**JOHN CHRISTMAS,**

while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Pennsylvania, knowingly made a false material declaration.

3. The grand jury empaneled on or about September 13, 2003 was conducting an investigation to determine, in part, whether JOHN CHRISTMAS, SHAMSUD-DIN ALI, and other had devised and participated in a scheme to defraud the City of Philadelphia and its taxpayers by obtaining a professional services contract from the City of Philadelphia Law Department for KIFS and obtaining the payment of a fee pursuant to that contract in connection with the Bowman Properties tax collection matter, through material misrepresentations, as described in paragraphs 26 through 71 of Racketeering Act One of Count One of this indictment.

4. It was material to this investigation to determine the purpose for which JOHN CHRISTMAS was using his position as special assistant to the chief of staff for the Mayor of Philadelphia to assist SHAMSUD-DIN ALI in obtaining a professional services contract and a fee for KIFS from the Law Department. It was further material to this investigation to determine whether JOHN CHRISTMAS was acting pursuant to directions from other officials of the City of

Philadelphia government who had knowledge of and participated in the scheme to defraud.

5. With respect to this material matter, CHRISTMAS testified as follows, at pages 103 to 106 of the transcript of the December 3, 2003 grand jury testimony:

Q. Did you ever tell Mr. Ali that you had been given broad direction to help Keystone in any way you could?

A. I don't recall telling Mr. Ali that, but I was making every effort to help Keystone and to help NCO and to help St. Hill and to help MTB and other collection providers.

Q. Mr. Christmas, you were interviewed by the FBI back in October?

A. I was.

Q. And they asked you a number of questions. Do you recall that?

A. I do.

Q. Do you recall they asked you specifically whether you ever told Shamsud-Din Ali that you had been given broad direction to help Keystone in any way you could? Do you remember being asked that question?

A. I do.

Q. And you told them you didn't make that statement?

A. Well, I don't have any recollection of that statement.

Q. Did you tell the FBI when they interviewed you in October that you did not make that statement?

A. I don't believe I did make that statement.

Q. No. Listen to the question carefully. When the FBI interviewed you in October of this year they asked you the question: Did you ever make the statement to Mr. Ali that you had been given broad direction to help Keystone in any way that you can? Isn't it a fact when the FBI agents asked you that question you denied making that statement? Isn't that correct?

- A. That is a false statement, sir, because I never received any direction.
- Q. No. Mr. Christmas, listen to my question carefully. I'm simply asking you about your interview with the FBI back in October. They asked you if you had made that statement and you told them you had not made that statement; isn't that correct?
- A. I do not believe that I ever made any such statement.
- Q. To the FBI agent?
- A. I do not believe having made the statement that I received direction –
- Q. No, Mr. Christmas, that's not my question. I'm asking you about your interview with the FBI in October of this year. They met you outside your house and they asked you did you ever make the statement to Shamsud-Din Ali that you were given broad direction to help Keystone in any way you can and in response to that question in October of this year to the FBI you denied making that statement; is that correct?
- A. That's correct, sir.
- Q. Now today you said you don't recall making that statement?
- A. I don't believe that I ever made any such statement and, in fact, I never received any direction.
- Q. Is it your testimony today that you did not make that statement or that you don't recall if you made that statement?
- A. I told the agents that I did not make that statement to Mr. Ali, and I did not ever receive direction that I had broad discretion or power to help Mr. Ali in any way I could. That's the most –
- Q. Did you ever tell Mr. Ali that you had been given broad direction to help Keystone in any way you can? Did you ever make that statement to Mr. Ali?
- A. Not that I recall.
- Q. So your testimony today is you don't recall making that statement?
- A. I don't believe I ever made any such statement. The assertion that I did, I

don't know where that's coming from.

6. This testimony of JOHN CHRISTMAS, as he then and there well knew and believed, was false in that JOHN CHRISTMAS knew that he had told SHAMSUD-DIN ALI that JOHN CHRISTMAS had “a broad direction to, you know, do whatever I could for Keystone” during a telephone conversation on October 29, 2001.

In violation of Title 18, United States Code, Section 1623.

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**NOTICE OF ADDITIONAL FACTORS**

**THE GRAND JURY FURTHER CHARGES THAT:**

**A. SHAMSUD-DIN ALI**

1. In committing the offense charged in Counts One, Two, and Three through Six of this indictment, SHAMSUD-DIN ALI:

- Committed an offense in which the loss exceeded \$ 30,000, as described in U.S.S.G. § 2B1.1(b)(1).

2. In committing the offenses charged in Counts One, Two, and Counts Seven through Seventeen of this indictment, SHAMSUD-DIN ALI:

- Committed an offense in which the amount of bribery payments exceeded \$5,000 as described in U.S.S.G. § 2B4.1.

3. In committing the offenses charged in Counts One and Two, and Nineteen through Twenty-One of this indictment, SHAMSUD-DIN ALI:

- Committed an offense in which the amount of the loss to the victim exceeded \$10,000, as described in U.S.S.G. § 2B3.2(b)(2).

4. In committing the offenses charged in Counts One and Two, and Counts Twenty-Two through Twenty-Six of this indictment, SHAMSUD-DIN ALI:

- Committed an offense in which the loss exceeded \$70,000 as described in U.S.S.G. § 2B1.1(b)(1).
- Committed an offense involving a misrepresentation that the defendant was acting on behalf of a religious and educational organization, as described in U.S.S.G. § 2B1.1(b)(7).



5. In committing the offenses described in Counts Thirty-Five, Thirty-Eight, Forty-One and Forty-Four of this indictment, SHAMSUD-DIN ALI:

- Committed offenses in which the tax loss was greater than \$30,000, as described in U.S.S.G. § 2T1.1.
- Committed offenses in which the defendant failed to report and correctly identify income in excess of \$10,000 from criminal sources, as described in U.S.S.G. § 2T1.1(b)(1).

6. In committing the offenses charged in this indictment, SHAMSUD-DIN ALI was an organizer, leader, manager or supervisor of criminal activity, as described in U.S.S.G. § 3B1.1(C).

7. In committing the offenses charged in this indictment, SHAMSUD-DIN ALI abused a position of public and private trust in a manner that significantly facilitated the commission and concealment of the offenses, as described in U.S.S.G. § 3B1.3.

**B. FARIDAH ALI**

1. In committing the offenses charged in Counts One and Two, and Counts Twenty-Two through Twenty-Six of this indictment, FARIDAH ALI:

- Committed an offense in which the loss exceeded \$70,000 as described in U.S.S.G. § 2B1.1(b)(1).
- Committed an offense involving a misrepresentation that the defendant was acting on behalf of a religious and educational organization, as described in U.S.S.G. § 2B1.1(b)(7).

2 In committing the offense charged in Counts One and Two, FARIDAH

ALI:

- Committed an offense in which the loss exceeded \$ 10,000, as described in U.S.S.G. § 2B1.1(b)(1).
- 3. In committing the offenses described in Count Thirty-Six, Thirty-Seven, Thirty-Nine, Forty, Forty-Two, Forty-Three and Forty-Five of this indictment, FARIDAH ALI:
  - Committed offenses in which the tax loss was greater than \$30,000, as described in U.S.S.G. § 2T1.1.
  - Committed offenses in which the defendant failed to report and correctly identify income in excess of \$10,000 from criminal sources, as described in U.S.S.G. § 2T1.1(b)(1).
- 4. In committing the offenses charged in this indictment, FARIDAH ALI was an organizer, leader, manager or supervisor of criminal activity, as described in U.S.S.G. § 3B1.1(C).
- 5. In committing the offenses charged in this indictment, FARIDAH ALI abused a position of public and private trust in a manner that significantly facilitated the commission and concealment of the offenses, as described in U.S.S.G. § 3B1.3.

**C. JOHN CHRISTMAS**

- 1. In committing the offense charged in Counts Three through Six of this indictment, JOHN CHRISTMAS committed an offense in which the loss exceeded \$ 30,000, as described in U.S.S.G. § 2B1.1(b)(1).
- 2. In committing the offenses charged in this indictment, JOHN CHRISTMAS abused a position of public and private trust in a manner that significantly

facilitated the commission and concealment of the offenses, as described in U.S.S.G. § 3B1.3.

**C. STEVEN VAUGHN**

1. In committing the offense charged in Counts Three through Six of this indictment, STEVEN VAUGHN committed an offense in which the loss exceeded \$ 30,000, as described in U.S.S.G. § 2B1.1(b)(1).

2. In committing the offenses charged in this indictment, STEVEN VAUGHN abused a position of public and private trust in a manner that significantly facilitated the commission and concealment of the offenses, as described in U.S.S.G. § 3B1.3.

**D. RICHARD MEEHAN**

1. In committing the offenses charged in Counts Seven through Seventeen of this indictment, RICHARD MEEHAN committed an offense in which the amount of bribery payments exceeded \$5,000 as described in U.S.S.G. § 2B4.1.

**E. JOHN JOHNSON**

1. In committing the offenses charged in Counts Nineteen through Twenty-One of this indictment, JOHN JOHNSON committed an offense in which the amount of the loss to the victim exceeded \$10,000, as described in U.S.S.G. § 2B3.2(b)(2).

**F. JOHN SALTER**

1. In committing the offense charged in Count Eighteen of this indictment, JOHN SALTER committed an offense in which the amount of the loss to the victim exceeded \$70,000, as described in U.S.S.G. § 2B1.1(b)(1).

**NOTICE OF FORFEITURE**

**(Racketeering Forfeiture - 18 U.S.C. § 1963)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. The allegations of Counts One and Two of this indictment are incorporated here for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 1963.

2. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given to the defendants that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Section 1963, in the event of any defendant's conviction under Counts One and Two of this indictment.

3. The defendants,

**SHAMSUD-DIN ALI,  
a/k/a/ "Shamps,"  
a/k/a/ "the Imam,"  
and  
FARIDAH ALI,  
a/k/a "Rita Spicer,"  
a/k/a "Rita Ali,"**

(i) have acquired and maintained interests in violation of Title 18, United States Code, Section 1962, which interests are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1);

(ii) have an interest in, security of, claims against, and property and contractual rights which afford a source of influence over, the Enterprise named and described in Counts One and Two of this indictment, which the defendants established, operated, controlled, conducted, and participated in the conduct of, in violation of Title 18, United States Code,

Section 1962, which interests, securities, claims, and rights are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963 (a)(2);

(iii) have property constituting and derived from proceeds obtained, directly and indirectly, from racketeering activity, in violation of Title 18, United States Code, Section 1962, which property is subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(3).

4. The interests of the defendants subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1), (a)(2), and (a)(3), include but are not limited to:

- (i) at least \$189,000 in racketeering proceeds;
- (ii) the real property located at 7108 Germantown Avenue, Philadelphia, Pennsylvania;
- (iii) any and all commission payments due to KIFS from AAT in connection with the Concession License Agreement between AAT and the Airport; and
- (iv) a 2002 Mercedes Benz S500V automobile, Vehicle Identification Number WDBNG75J72A233557.

5. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party,
- (c) has been placed beyond the jurisdiction of the court;

- (d) has been substantially diminished in value, or
- (e) has been commingled with other property which cannot be divided without difficulty;

then it is the intent of the United States, pursuant to Title 18, United States Code, Section 1963(m) to seek forfeiture of any other property of the defendants up to the value of the property described above as being subject to forfeiture.

5. The above-named defendants, and each of them, are jointly and severally liable for the forfeiture obligations alleged above.

All pursuant to Title 18, United States Code, Sections 1962 and 1963.

A TRUE BILL:

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FOREPERSON

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PATRICK L. MEEHAN  
United States Attorney